



青建國際控股有限公司

CNQC International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

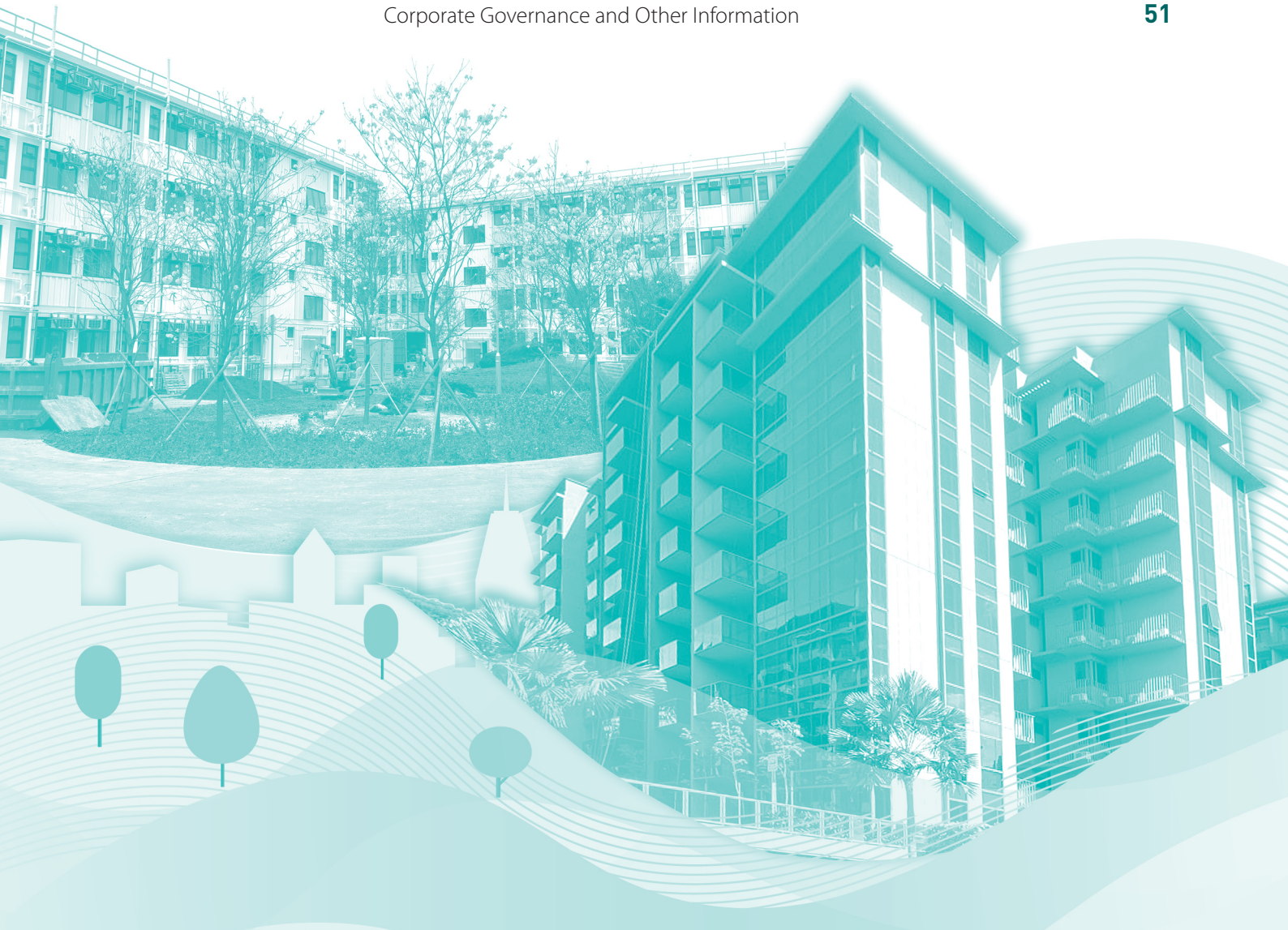
Stock Code: 1240



2024 INTERIM REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Wang Congyuan (*Chairman*)
Dr. Du Bo
Mr. Li Jun (李軍) (*the Chief Executive Officer*)
Mr. Du Dexiang (*Co-Chief Executive Officer*)

Non-executive Director

Mr. Ren Zhiqiang (*resigned with effect from 22 July 2024*)
Mr. Liu Jiazhen (*appointed with effect from 22 July 2024*)

Independent Non-executive Directors

Mr. Tam Tak Kei, Raymond
Mr. Chan Kok Chung, Johnny
Mr. Liu Junchun

COMPANY SECRETARY

Ms. Au Wing Sze

AUDIT COMMITTEE

Mr. Tam Tak Kei, Raymond
(*Chairman of the Audit Committee*)
Mr. Chan Kok Chung, Johnny
Mr. Liu Junchun

REMUNERATION COMMITTEE

Mr. Liu Junchun (*Chairman of the Remuneration Committee*)
Mr. Wang Congyuan
Mr. Chan Kok Chung, Johnny
Mr. Tam Tak Kei, Raymond
Mr. Du Dexiang

NOMINATION COMMITTEE

Mr. Wang Congyuan (*Chairman of the Nomination Committee*)
Dr. Du Bo
Mr. Tam Tak Kei, Raymond
Mr. Chan Kok Chung, Johnny
Mr. Liu Junchun

STRATEGY AND INVESTMENT COMMITTEE

Mr. Li Jun (李軍)
(*Chairman of the Strategy and Investment Committee*)
Dr. Du Bo
Mr. Wang Congyuan
Mr. Chan Kok Chung, Johnny
Mr. Du Dexiang
Mr. Ren Zhiqiang (*Resigned with effect from 22 July 2024*)
Mr. Liu Jiazhen (*appointed with effect from 22 July 2024*)

AUTHORIZED REPRESENTATIVES

Mr. Li Jun (李軍)
Ms. Au Wing Sze

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8/F, Enterprise Square Three,
39 Wang Chiu Road
Kowloon Bay, Hong Kong

CORPORATE INFORMATION

LEGAL ADVISERS AS TO HONG KONG LAWS

Li & Partners

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
United Overseas Bank
The Hongkong and Shanghai Banking Corporation Limited
The Export-Import Bank of China
The Bank of East Asia Limited
China Minsheng Banking Corp., Ltd., Hong Kong Branch

STOCK CODE

1240

WEBSITE

www.cnqc.com.hk

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF CNQC INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of CNQC International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 5 to 37, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“HKSRE 2410”) 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.

OTHER MATTERS

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and the relevant notes to the condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

The comparative condensed consolidated statement of financial position as at 31 December 2023 were extracted from the consolidated financial statements of the Group for the year ended 31 December 2023 audited by PricewaterhouseCoopers who expressed an unmodified opinion on those statements on 28 March 2024.

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

30 August 2024



CNQC International Holdings Limited

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	7	4,883,569	4,228,508
Cost of sales		(4,602,888)	(4,150,095)
Gross profit		280,681	78,413
Other income	8	35,763	45,439
Other gains, net	9	46,070	11,687
Selling and marketing expenses		(24,783)	(34,700)
General and administrative expenses		(133,415)	(115,936)
Operating profit/(loss)	10	204,316	(15,097)
Finance income		22,018	18,065
Finance cost		(148,089)	(178,962)
Finance costs, net	11	(126,071)	(160,897)
Share of results of associated companies		(23,937)	45,960
Share of results of joint ventures		(11)	(265)
Profit/(loss) before income tax		54,297	(130,299)
Income tax expense	12	(24,669)	(7,823)
Profit/(loss) for the period		29,628	(138,122)
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
— Exchange differences arising from translation of foreign operations		(22,072)	(5,026)
— Reclassification of cumulative translation reserve upon disposal of subsidiaries		11	—
		(22,061)	(5,026)
Total comprehensive income/(expense) for the period		7,567	(143,148)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		23,831	(147,263)
Non-controlling interests		5,797	9,141
		29,628	(138,122)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		4,011	(151,127)
Non-controlling interests		3,556	7,979
		7,567	(143,148)
Earnings/(loss) per share attributable to owners of the Company during the period			
	13		
Basic (HK\$)			
— ordinary shares		0.014	(0.090)
— convertible preference shares		0.014	(0.090)
Diluted (HK\$)			
— ordinary shares		0.014	(0.090)
— convertible preference share		0.014	(0.090)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompany notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	14	447,316	474,578
Right-of-use assets	14	78,195	64,990
Goodwill	14	566,189	569,569
Other intangible assets	14	61,455	64,575
Investments in associated companies		142,211	541,267
Investments in joint ventures		26,275	16,307
Deferred income tax assets		45,093	64,415
Financial assets at fair value through other comprehensive income		1,388	1,425
Financial assets at fair value through profit or loss		167,380	167,380
Prepayments, other receivables and deposits	15	1,201,899	863,265
		2,737,401	2,827,771
Current assets			
Development properties for sale	16	1,216,870	1,577,647
Inventories		9,001	11,460
Trade and other receivables, prepayments and deposits	15	1,652,902	2,586,893
Contract assets	17	3,850,890	2,479,818
Financial assets at fair value through profit or loss		–	17,955
Tax recoverable		715	723
Pledged bank deposits		10,368	15,014
Cash and cash equivalents		932,694	1,604,091
Total current assets		7,673,440	8,293,601
Total assets		10,410,841	11,121,372

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital — ordinary shares	20	15,183	15,183
Share capital — convertible preference shares	20	1,249	1,249
Share premium		3,261,225	3,261,225
Other reserves		(1,171,102)	(1,151,282)
Retained earnings		276,418	252,587
		2,382,973	2,378,962
Non-controlling interests		469,724	448,000
Total equity		2,852,697	2,826,962
LIABILITIES			
Non-current liabilities			
Borrowings	18	2,200,264	1,069,359
Lease liabilities		55,489	43,146
Deferred income tax liabilities		139,276	129,512
		2,395,029	1,242,017
Current liabilities			
Trade and other payables	19	2,941,869	2,982,563
Contract liabilities		44,942	45,631
Income tax payables		17,986	13,873
Borrowings	18	2,134,998	3,979,159
Lease liabilities		23,320	30,318
Derivative financial instruments		—	849
Total current liabilities		5,163,115	7,052,393
Total liabilities		7,558,144	8,294,410
Total equity and liabilities		10,410,841	11,121,372

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompany notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital — ordinary shares HK\$'000	Share capital — convertible preference shares HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
For the six months ended 30 June 2024 (unaudited)								
Balance at 1 January 2024	15,183	1,249	3,261,225	(1,151,282)	252,587	2,378,962	448,000	2,826,962
Comprehensive income								
Profit for the period	-	-	-	-	23,831	23,831	5,797	29,628
Other comprehensive expense								
Currency translation difference	-	-	-	(19,820)	-	(19,820)	(2,241)	(22,061)
Total comprehensive income/(expense)	-	-	-	(19,820)	23,831	4,011	3,556	7,567
Transactions with owners in their capacity as owners								
Disposal of subsidiaries	-	-	-	-	-	-	21,295	21,295
Dividends paid to non-controlling interests	-	-	-	-	-	-	(3,127)	(3,127)
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	18,168	18,168
Balance at 30 June 2024 (unaudited)	15,183	1,249	3,261,225	(1,171,102)	276,418	2,382,973	469,724	2,852,697

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital — ordinary shares HK\$'000	Share capital — convertible preference shares HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
For the six months ended 30 June 2023 (unaudited)								
Balance at 1 January 2023	15,183	1,249	3,261,225	(1,142,286)	710,718	2,846,089	322,162	3,168,251
Comprehensive (expense)/income (Loss)/profit for the period	–	–	–	–	(147,263)	(147,263)	9,141	(138,122)
Other comprehensive expense Currency translation difference	–	–	–	(3,864)	–	(3,864)	(1,162)	(5,026)
Total comprehensive (expense)/income	–	–	–	(3,864)	(147,263)	(151,127)	7,979	(143,148)
Balance at 30 June 2023 (unaudited)	15,183	1,249	3,261,225	(1,146,150)	563,455	2,694,962	330,141	3,025,103

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Cash flows from operating activities		
Net cash generated from/(used in) operations	246,454	(224,833)
Interest paid	(138,864)	(147,445)
Income tax refunded	8,890	2,320
	116,480	(369,958)
Cash flows from investing activities		
Purchase of property, plant and equipment	(36,599)	(5,522)
Proceeds from disposal of property, plant and equipment and right-of-use assets	153	(185)
Proceeds from disposal of financial assets at fair value through profit or loss	20,000	–
Loans to associated companies, joint venture and an investment company accounted for financial assets at fair value through other comprehensive income	(200,299)	–
Repayment from loans to associated companies, joint venture and an investment company accounted for financial assets at fair value through other comprehensive income	–	301,507
Interests income received	3,565	74,315
Investment in an associated company	(5,386)	–
Investment in a joint venture	(16,802)	(8,599)
Net cash inflow on acquisition of a subsidiary	–	4,609
Net cash outflow on disposal of subsidiaries	(7,387)	–
Dividends received from an associated company	91,220	3
Dividends paid to non-controlling interests	(3,127)	–
Decrease/(increase) in pledged bank deposits for derivative financial instruments	4,488	(12,584)
Payment for consideration in relation to a business combination	–	(10,440)
	(150,174)	343,104
Cash flows from financing activities		
Drawdown on bank borrowings	1,561,652	928,684
Repayment of bank borrowings	(2,171,597)	(1,259,036)
Repayment on principal element of lease liabilities	(15,666)	(28,594)
Repayment on interest element of lease liabilities	(1,414)	(869)
	(627,025)	(359,815)
Net decrease in cash and cash equivalents	(660,719)	(386,669)
Cash and cash equivalents at beginning of the period	1,604,091	1,506,649
Exchange loss on cash and cash equivalents	(10,678)	(660)
	932,694	1,119,320

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

CNQC International Holdings Limited (the “**Company**”) is an investment holding company. The Company and its subsidiaries (together the “**Group**”) are principally engaged in foundation and construction business, property development and related investment business in Singapore and Southeast Asia, Hong Kong and Macau.

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information (“**Interim Financial Information**”) is presented in Hong Kong Dollar (“**HK\$**”), unless otherwise stated.

2 BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Security on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Interim Financial Information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023 (“**2023 Financial Statements**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by HKICPA.

This Interim Financial Information has been prepared on the historical cost basis, except for financial assets at fair value through profit or loss (“**FVPL**”), financial assets at fair value through other comprehensive income (“**FVOCI**”) and derivative financial instruments which are measured at fair value.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied to prepare this unaudited Interim Financial Information for the six months ended 30 June 2024 are consistent with the 2023 Financial Statements.

(a) Amendments to existing standards and interpretation effective for the financial year beginning 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amendments to existing standards and interpretation did not have a significant impact on the Group’s results of operations and its financial position and did not require retrospective adjustments.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (CONTINUED)

(b) New standards and amendments to existing standards have been published but are not yet effective and which the Group has not early adopted:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of making an assessment of the financial impact of adoption of these new standards and amendments to existing standards. The management will adopt these new standards and amendments to existing standards when they become effective.

4 JUDGEMENTS AND ESTIMATES

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2023.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

There have been no changes in the risk management policies since 2023 year end.

5.2 Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet their liquidity requirements in the shorter and longer term. Management believes there is no significant liquidity risk as the Group has sufficient committed facilities to fund their operations.

As at 30 June 2024, the Group had cash and cash equivalents of HK\$932,694,000 (31 December 2023: HK\$1,604,091,000) of which approximately 75.3% was held in Singapore Dollar ("SGD"), 21.0% was held in HK\$, 2% was held in Malaysian Ringgit and the remaining was mainly held in US Dollar, Macau Patacas, Indonesian Rupiah, and Vietnamese Dong. The gearing ratio of the Group as at 30 June 2024 (defined as the net debt divided by total equity plus net debt, where net debt is defined as borrowings less cash and cash equivalents and pledged bank deposits) was approximately 54.3% (31 December 2023: approximately 54.9%).

5.3 Fair value measurements

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2024 and 31 December 2023 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.3 Fair value measurements (Continued)

(i) The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
30 June 2024				
Assets				
Financial assets at FVOCI				
— Unlisted equity investment	—	—	1,388	1,388
Financial assets at FVPL				
— Unlisted fund investments	—	—	167,380	167,380
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
31 December 2023				
Assets				
Financial assets at FVOCI				
— Unlisted equity investment	—	—	1,425	1,425
Financial assets at FVPL				
— Unlisted fund investments	—	—	185,335	185,335
Liabilities				
Financial liabilities at FVPL				
— Derivative financial instruments	—	849	—	849

The investments in unquoted financial assets at FVOCI held by the Group as at 30 June 2024 and 31 December 2023 are equity investments in property development companies that are not traded in an active market. The fair value of these investments is determined by using a dividend discount model for which the assumptions are based on the estimated future dividend plans of the underlying investments. These investments are classified as Level 3.

Financial assets at FVPL held by the Group as at 30 June 2024 and 31 December 2023 are investment fund established for healthcare and biotechnology related business and investments in an investment collective scheme that are not traded in an active market. The fair value of these investments is determined by using a discounted cash flow model and the adjusted net assets value method. These investments are classified as Level 3.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.3 Fair value measurements (Continued)

(ii) The following table presents the changes in Level 3 instruments:

	Financial assets at FVOCI HK\$'000	Financial assets at FVPL HK\$'000
1 January 2024	1,425	185,335
Fair value changes	–	2,045
Disposal	–	(20,000)
Exchange differences	(37)	–
30 June 2024	1,388	167,380
1 January 2023	1,421	563,889
Fair value changes	–	(88)
Exchange differences	(6)	(8,676)
30 June 2023	1,415	555,125

During the six months ended 30 June 2024 and 2023, there were no transfers of financial assets and liabilities between level 1, level 2 and level 3.

The fair value of financial assets at FVOCI is determined by using a dividend discount model. The unobservable inputs used in the fair value measurement include forecast dividend earnings and discount rate. Should the forecast dividend earnings increased, other comprehensive income would have been higher. Should the discount rate be increased, other comprehensive income would have been lower.

The fair value of financial assets at FVPL in investment in healthcare and biotechnology related business is determined by using a discounted cash flow model. The unobservable inputs used in the fair value measurement include discount rate. Should the discount rate increased, profit for the year would have been lower.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

5.4 Fair values of financial assets and liabilities measured at amortised cost

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade receivables
- Deposits and other receivables
- Cash and cash equivalents
- Pledged bank deposits
- Trade payables
- Accruals and other payables
- Borrowings
- Lease liabilities

6 SEGMENT INFORMATION

The Group's reportable and operating segments, which are based on information reported to the executive directors (being the chief operating decision maker ("CODM")) of the Company for the purpose of resource allocation and performance assessment under HKFRS 8 are as follows:

- Foundation and construction — Hong Kong and Macau
- Property development — Hong Kong
- Construction — Singapore and Southeast Asia
- Property development — Singapore and Southeast Asia

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION (CONTINUED)

Information regarding the above segments is reported below.

	Foundation and construction — Hong Kong and Macau HK\$'000	Property development — Hong Kong HK\$'000	Construction — Singapore and Southeast Asia HK\$'000	Property development — Singapore and Southeast Asia HK\$'000	Total HK\$'000
Six months ended 30 June 2024 (Unaudited)					
Sales					
Sales to external parties	1,478,610	–	2,770,578	634,381	4,883,569
Inter-segment sales	–	–	114,370	–	114,370
Total segment sales	1,478,610	–	2,884,948	634,381	4,997,939
Adjusted segment profit/(loss)	35,901	(2)	62,654	120,833	219,386
Depreciation of property, plant and equipment	20,159	–	8,863	476	29,498
Depreciation of right-of-use assets	4,878	–	10,128	1,160	16,166
Amortisation of intangible assets	96	–	3,011	–	3,107

	Foundation and construction — Hong Kong and Macau HK\$'000	Property development — Hong Kong HK\$'000	Construction — Singapore and Southeast Asia HK\$'000	Property development — Singapore and Southeast Asia HK\$'000	Total HK\$'000
Six months ended 30 June 2023 (Unaudited)					
Sales					
Sales to external parties	1,543,822	–	1,735,537	949,149	4,228,508
Inter-segment sales	–	–	119,492	–	119,492
Total segment sales	1,543,822	–	1,855,029	949,149	4,348,000
Adjusted segment profit/(loss)	136,833	(3)	(304,261)	173,513	6,082
Depreciation of property, plant and equipment	23,858	–	7,181	124	31,163
Depreciation of right-of-use assets	6,145	–	21,237	905	28,287
Amortisation of intangible assets	56	–	3,116	–	3,172

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION (CONTINUED)

The following tables present segment assets and liabilities as at 30 June 2024 and 31 December 2023 respectively.

	Foundation and construction — Hong Kong and Macau HK\$'000	Property development — Hong Kong HK\$'000	Construction — Singapore and Southeast Asia HK\$'000	Property development — Singapore and Southeast Asia HK\$'000	Total HK\$'000
As at 30 June 2024 (Unaudited)					
Segment assets	2,031,806	704,159	4,320,679	3,055,488	10,112,132
Segment liabilities	1,568,514	672,691	3,574,239	2,393,783	8,209,227

	Foundation and construction — Hong Kong and Macau HK\$'000	Property development — Hong Kong HK\$'000	Construction — Singapore and Southeast Asia HK\$'000	Property development — Singapore and Southeast Asia HK\$'000	Total HK\$'000
As at 31 December 2023 (Audited)					
Segment assets	2,184,565	709,598	3,762,509	4,121,419	10,778,091
Segment liabilities	1,600,804	669,182	3,463,672	3,910,266	9,643,924

A reconciliation of segment results to profit before income tax is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Adjusted segment profit for reportable segments	219,386	6,082
Unallocated expenses	(11,504)	(12,984)
Elimination	(3,566)	(8,195)
Finance income	22,018	18,065
Finance costs	(148,089)	(178,962)
Share of net results of associated companies	(23,937)	45,960
Share of net results of joint ventures	(11)	(265)
Profit/(loss) before income tax	54,297	(130,299)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6 SEGMENT INFORMATION (CONTINUED)

A reconciliation of segment assets to total assets is as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Segment assets	10,112,132	10,778,091
Unallocated	6,077,366	7,507,271
Elimination	(5,778,657)	(7,163,990)
Total assets	10,410,841	11,121,372

A reconciliation of segment liabilities to total liabilities is as follows:

	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Segment liabilities	8,209,227	9,643,924
Unallocated	5,127,574	5,814,476
Elimination	(5,778,657)	(7,163,990)
Total liabilities	7,558,144	8,294,410

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 REVENUE

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue		
Construction contracts income	4,248,668	3,278,709
Sales of development properties	634,381	949,149
Income from loaning labour to other contractors	520	650
	4,883,569	4,228,508
Revenue from contracts with customers		
— recognised at a point in time	520	6,518
— recognised over time	4,883,049	4,221,990
	4,883,569	4,228,508

8 OTHER INCOME

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Management fee income	12,987	7,961
Rental income	14,261	6,723
Government grants (Note)	1,407	4,057
Performance bonus from construction projects	–	24,746
Scrap sales	6,144	1,675
Sundry income	964	277
	35,763	45,439

Note: Government grants primarily represent subsidies granted by local governments for foreign worker levy rebates. These subsidies were granted in the form of cash payment. There were no unfulfilled condition and other contingencies affected to the receipts of these subsidies.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 OTHER GAINS, NET

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Gain/(loss) on disposal of property, plant and equipment	132	(932)
Gain on disposal of right-of-use assets	–	16
Foreign exchange forward contracts fair value gain	844	6,623
Gain on disposal of subsidiaries (Note 25)	43,225	–
Financial assets at FVPL fair value gain/(loss)	2,045	(88)
Exchange difference	(3,805)	(360)
Others	3,629	6,428
Other gains, net	46,070	11,687

10 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging the following:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Contractor and material costs included in "Cost of sales"	3,689,389	3,007,124
Property development costs included in "Cost of sales"	486,888	750,682
Rental expenses on operating leases included in "Cost of sales"	121,021	67,143
Staff costs, including directors' emoluments	465,882	337,809
Depreciation of owned assets	29,498	31,163
Depreciation of right-of-use assets	16,166	28,287
Amortisation of intangible assets	3,107	3,172
Legal and professional fees	19,695	12,228

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 FINANCE COSTS, NET

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income from bank deposits	3,451	2,431
Interest income from loans to associated companies	17,106	13,427
Interest income from loans to an investment company accounted for as financial assets at FVOCI	1,461	2,207
	22,018	18,065
Finance cost		
Interest expenses on lease liabilities	(1,414)	(869)
Interest expenses on bank borrowings and arrangement fee amortised in respect of bank facilities	(125,859)	(148,827)
Interest expenses on loans from non-controlling interests in subsidiaries and other related parties	(28,821)	(35,727)
	(156,094)	(185,423)
Less: Interest expenses capitalised	10,505	14,793
	(145,589)	(170,630)
Net foreign exchange losses	(2,500)	(8,332)
	(148,089)	(178,962)
Finance costs, net	(126,071)	(160,897)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 INCOME TAX EXPENSE

Hong Kong profits tax and Singapore income tax have been provided for at the rate of 16.5% and 17% respectively, others have been provided for at the applicable rate for the six months ended 30 June 2024 and 2023 on the estimated assessable profit for the period in the respective jurisdiction.

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current income tax		
— Hong Kong profits tax	3,554	—
— Singapore income tax	517	1,669
— Others	—	546
Overprovision in prior year		
— Singapore income tax	(8,741)	—
	(4,670)	2,215
Deferred income tax	29,339	5,608
Income tax expense	24,669	7,823

13 EARNINGS/(LOSS) PER SHARE

Basic

Basic earnings/(loss) per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Profit/(loss) attributable to ordinary shares	22,020	(136,040)
Profit/(loss) attributable to convertible preference shares ("CPS")	1,811	(11,223)
Profit/(loss) attributable to owners of the Company	23,831	(147,263)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 EARNINGS/(LOSS) PER SHARE (CONTINUED)

Basic (Continued)

	Six months ended 30 June 2024		Six months ended 30 June 2023	
	Ordinary shares (Unaudited)	CPS (Unaudited)	Ordinary shares (Unaudited)	CPS (Unaudited)
Weighted average number of issued shares for the purpose of calculating basic earnings/(loss) per share (in thousands)	1,518,320	124,876	1,518,320	124,876
Basic earnings/(loss) per share (HK\$)	0.014	0.014	(0.090)	(0.090)

Basic earnings/(loss) per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares and CPS outstanding for each of the periods presented.

In addition to a non-cumulative preferred distribution from the date of the issue of the CPS at a rate of 0.01% per annum on the issue price of HK\$2.75 per CPS payable annually in arrears, each CPS is entitled to any dividend *pari passu* with the holders of the ordinary shares. In addition, the holders of the CPS shall have priority over the holders of ordinary shares on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company up to an amount equal to the aggregate nominal amounts of the CPS issued. Distributions beyond this amount are to be made on a *pari passu* basis among the holders of any class of shares including the CPS. Hence, the rights of the CPS to the entitlements of dividend and distribution of assets are substantially the same as those of the ordinary shares of the Company. Accordingly, the CPS is accounted for as an equity instrument and is included in the calculation of earnings/(loss) per share.

Diluted

	Six months ended 30 June 2024		Six months ended 30 June 2023	
	Ordinary shares (Unaudited)	CPS (Unaudited)	Ordinary shares (Unaudited)	CPS (Unaudited)
Weighted average number of issued shares for the purpose of calculating basic earnings/(loss) per share (in thousands)	1,518,320	124,876	1,518,320	124,876
Diluted earnings/(loss) per share (HK\$)	0.014	0.014	(0.090)	(0.090)

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares and CPS outstanding to assume conversion of all dilutive potential ordinary shares relating to the outstanding share options issued by the Company as at period end dates. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price of the Company's share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings/(loss) per share.

Diluted earnings/(loss) per share for the periods ended 30 June 2024 and 2023 were the same as the basic earnings/(loss) per share as potential ordinary shares arising from share options were not treated as dilutive as the conversion to ordinary shares would have anti-dilutive impact to the basic earnings/(loss) per share for the period ended 30 June 2024 (for the period ended 30 June 2023: would not decrease the earnings per share).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 RIGHT-OF-USE ASSETS, PROPERTY, PLANT AND EQUIPMENT, GOODWILL AND OTHER INTANGIBLE ASSETS

	Right-of-use assets HK\$'000	Property, plant and equipment HK\$'000	Goodwill HK\$'000	Other intangible assets HK\$'000
Six months ended 30 June 2024 (unaudited)				
Opening net book amount as at 1 January 2024	64,990	474,578	569,569	64,575
Additions	29,954	36,599	–	–
Disposals	(33)	(28,531)	–	–
Depreciation and amortisation	(16,166)	(29,498)	–	(3,107)
Disposal of a subsidiary	–	(3,909)	–	–
Exchange difference	(550)	(1,923)	(3,380)	(13)
Closing amount as at 30 June 2024 (unaudited)	78,195	447,316	566,189	61,455
Six months ended 30 June 2023 (unaudited)				
Opening net book amount as at 1 January 2023	78,249	475,775	568,831	70,840
Additions	3,265	5,522	–	–
Disposals	(674)	(747)	–	–
Depreciation and amortisation	(28,287)	(31,163)	–	(3,172)
Acquisition of a subsidiary	–	24,839	–	–
Exchange difference	(50)	(903)	(1,185)	(31)
Closing amount as at 30 June 2023 (unaudited)	52,503	473,323	567,646	67,637

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Current		
Trade receivables (<i>Note (b)</i>)		
— Associated companies	63,919	34,097
— Related parties	4,905	8,155
— A joint venture	14,833	–
— Third parties	783,543	1,696,876
— An investment company accounted for as financial assets at FVOCI	5,095	–
	872,295	1,739,128
Less: allowance for credit losses	(28,652)	(28,652)
	843,643	1,710,476
Retention receivables from customers for contract work (<i>Note (c)</i>)		
— Associated companies	29,733	4,407
— Related parties	–	500
— Joint ventures	4,552	–
— Third parties	510,747	447,523
— An investment company accounted for as financial assets at FVOCI	494	–
	545,526	452,430
Other receivables (<i>Note (d)</i>)		
— Associated companies	21,892	16,269
— Related parties	31,251	81,701
— Joint ventures	4,677	–
— Third parties	33,081	15,580
Prepayments	65,880	86,983
Deposits	49,602	67,966
Staff advances	2,843	4,713
Goods and services tax receivable	4,030	7,446
	213,256	280,658
Loans and interests receivables		
— Associated companies (<i>Note (e)</i>)	45,456	31,879
— A joint venture (<i>Note (f)</i>)	–	111,450
— An investment company accounted for as financial assets at FVOCI (<i>Note (g)</i>)	5,021	–
	50,477	143,329
	1,652,902	2,586,893
Non-current		
Loans and interests receivables		
— Associated companies (<i>Note (e)</i>)	1,018,747	800,386
— A joint venture (<i>Note (f)</i>)	112,461	–
— An investment company accounted for as financial assets at FVOCI (<i>Note (g)</i>)	58,114	60,562
Prepayments, other receivables and deposits	12,577	2,317
	1,201,899	863,265

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

Notes:

- (a) The credit periods granted to customers were generally 30 days. No interest was charged on the outstanding balance.
- (b) The ageing analysis of trade receivables based on invoice date is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
1–30 days	664,756	1,596,698
31–60 days	77,030	32,861
61–90 days	57,819	23,543
Over 90 days	44,038	57,374
	843,643	1,710,476

- (c) Retention receivables in respect of the construction and foundation businesses are settled in accordance with the terms of respective contracts. Retention receivables held by customers for construction and foundation work amounting to approximately HK\$388,449,000 (31 December 2023: HK\$338,588,000) are expected to be recovered in more than twelve months from the reporting date.
- (d) Other receivables due from associated companies, related parties, and third parties were unsecured and interest-free.
- (e) Loans receivables to associated companies of HK\$1,064,203,000 (31 December 2023: HK\$832,265,000) represent shareholders' loans provided by the Group to various associated companies that engage in property development in Singapore and Hong Kong.

In accordance with the shareholders' agreements, the Group and the other shareholders contributed minimal amount of capital and substantially all portion of the associates' capital expenditures and working capital were funded through shareholders' loans and other external financings. The shareholders' loans were provided pursuant to the commitments set out in the respective shareholders' agreements entered into when the property development companies were established and were made in proportion to the percentages of the Group's shareholdings in these property development companies. Loans receivables to associated companies are unsecured and have no fixed repayment terms. The shareholders' loans are repayable in part or in full on any date to be agreed between the associated companies and its shareholders and are interest-bearing at a fixed rate ranging from 4% to 5% or at a floating rate of 1% over Singapore Overnight Rate Average ("**SORA**") (31 December 2023: 4% to 5%) per annum as at 30 June 2024.

The directors of Company assessed the impairment of loans receivables to the associated companies on a regular basis with reference to the financial position, the financial budget and the estimated future cash flows of the associated companies, which the Group has full access to the financial statements and the complete books and records of the associated companies. Factors including the pre-sale of the relevant development properties (for property development projects in Singapore), progress of construction of the development properties and other current market conditions are considered in the impairment assessment. Based on the assessment performed by the directors, no provision for impairment was recognised against the loans receivables, interest receivables and other receivables to associated companies as at 30 June 2024 (31 December 2023: Nil).

Based on the assessment performed by the directors, no provision for impairment was recognised against the loans receivables, interest receivables and other receivables to associated companies as at 30 June 2024 (31 December 2023: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (CONTINUED)

Notes: (Continued)

(e) (Continued)

Details of the material loans and interest receivables to associated companies of the Group as at 30 June 2024 are as follows:

As at 30 June 2024, loan and interest receivable of HK\$396,305,000 (31 December 2023: HK\$375,980,000) represent shareholders' loan to TQS Development Pte. Limited, an associated company of the Group that engage in property development in Singapore. The loan receivable is unsecured and interest bearing at a fixed rate of 4% per annum. The directors of the Company consider that the loan receivable from TQS Development Pte. Limited will be settled after the development properties are delivered to the customers and the issuance of Temporary Occupation Permit ("**TOP**") by the Building and Construction Authority of Singapore, hence, it is classified as non-current asset in the interim condensed consolidated statement of financial position.

As at 30 June 2024, loan and interest receivable of HK\$249,751,000 (31 December 2023: HK\$266,186,000) represent shareholders' loan to TQS (2) Development Pte. Limited, an associated company of the Group that engage in property development in Singapore. The loan receivable is unsecured and interest-bearing at a fixed rate of 4% per annum. The directors of the Company consider that the loan receivable from TQS (2) Development Pte. Limited will be settled after the development properties are delivered to the customers and the issuance of TOP by the Building and Construction Authority of Singapore, hence, it is classified as non-current asset in the interim condensed consolidated statement of financial position.

As at 30 June 2024, loan and interest receivable of HK\$172,298,000 (31 December 2023: HK\$158,220,000) represent shareholders' loan to Jubilant Castle Limited, an associated company of the Group that engage in property development in Hong Kong through its subsidiary, Wealth Honour Limited. The loan receivable is unsecured and interest-bearing at a fixed rate of 5% per annum. The directors of the Company consider that the loan receivable from Jubilant Castle Limited and will not be repayable within one year from the end of the reporting period, hence, it is classified as non-current assets in the interim condensed consolidated statement of financial position accordingly.

As at 30 June 2024, loan and interest receivable of HK\$200,393,000 (31 December 2023: HK\$nil) represent shareholders' loan to Media Circle Development Pte. Limited, an associated company of the Group that engage in property development in Singapore. The loan receivable is unsecured and interest-bearing at a floating rate of 1% over SORA per annum. The directors of the Company consider that the loan receivable from Media Circle Development Pte. Limited will be settled after the development properties are delivered to the customers and the issuance of TOP by the Building and Construction Authority of Singapore, hence, it is classified as non-current assets in the interim condensed consolidated statement of financial position.

- (f) As at 30 June 2024, loan receivable of HK\$112,461,000 (31 December 2023: HK\$111,450,000) represents shareholders' loan to CNQC & SAMBO Co. Ltd., a joint venture of the Group that engages in property development in Hong Kong through its non-wholly owned subsidiary, Apex Intelligence Limited. The loan receivable is unsecured, interest-free and repayable on demand. The directors of the Company consider that the loan receivable from CNQC & SAMBO Co. Ltd. will not be repayable within one year from the end of the reporting period, hence, it is classified as non-current asset in the interim condensed consolidated statement of financial position accordingly. Shareholders' loan was granted on same basis in note (e). Based on assessment performed by the directors with same basis in note (e), no provision for impairment was recognised against the loans receivables and interest receivables to a joint venture as at 30 June 2024 (31 December 2023: Nil).
- (g) As at 30 June 2024, loan and interest receivable of HK\$63,135,000 (31 December 2023: HK\$60,562,000) represents shareholders' loan to ZACD LV Development Pte. Ltd., an investment company that engages in property development in Singapore. The investment company is accounted for as financial assets at FVOCI. The loan is unsecured and interest bearing at a fixed rate of 5% per annum. The directors of the Company consider that the loan receivable from ZACD LV Development Pte. Ltd. will not be repayable within one year from the end of the reporting period, hence, it is classified as non-current asset in the interim condensed consolidated statement of financial position accordingly. Shareholders' loan was granted on same basis in note (e). Based on assessment performed by the directors with same basis in note (e), no provision for impairment was recognised against the loans receivables, interest receivables to an investment company accounted for as financial assets at FVOCI as at 30 June 2024 (31 December 2023: Nil).

The carrying amounts of the Group's trade and other receivables (excluding prepayments) approximate their fair values. The Group did not hold any collateral as security for its trade and other receivables.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 DEVELOPMENT PROPERTIES FOR SALE

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Properties in the course of development		
Leasehold land at cost	1,013,229	1,460,049
Development costs	131,448	46,946
Overheads expenditure capitalised	9,783	10,372
Interest expenses capitalised	62,410	60,280
	1,216,870	1,577,647

The capitalised interest rate applied to funds borrowed and used for the development of properties is between 5.0% and 5.3% per annum (31 December 2023: between 5.3% and 6.0% per annum).

As at 30 June 2024, development properties with net carrying amounts of HK\$1,109,396,000 (31 December 2023: HK\$1,538,858,000) were pledged as securities for certain bank loans of the Group (Note 18(a)(i)).

17 CONTRACT ASSETS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Sales of properties	2,341,140	1,841,732
Construction projects	1,509,750	638,086
	3,850,890	2,479,818

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 BORROWINGS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Current		
Bank borrowings — secured <i>(Note (a))</i>	918,508	1,350,047
Bank borrowings — unsecured <i>(Note (b))</i>	444,062	1,850,998
Bank borrowings — mortgaged <i>(Note (c))</i>	56,678	58,128
Loans from non-controlling interests — unsecured <i>(Note (d))</i>	705,750	719,986
Loan from a financial institution — unsecured <i>(Note (e))</i>	10,000	–
	2,134,998	3,979,159
Non-current		
Bank borrowings — secured <i>(Note (a))</i>	631,758	–
Bank borrowings — unsecured <i>(Note (b))</i>	1,059,369	553,898
Bank borrowings — mortgaged <i>(Note (c))</i>	22,041	22,404
Loans from non-controlling interests — unsecured <i>(Note (d))</i>	487,096	493,057
	2,200,264	1,069,359
Total borrowings	4,335,262	5,048,518

As at 30 June 2024, the Group's borrowings were repayable as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Within 1 year (on demand and within 1 year)	2,134,998	3,979,159
Between 1 and 2 years	766,476	437,839
Between 2 and 5 years	1,358,930	611,684
Later than 5 years	74,858	19,836
Total	4,335,262	5,048,518

As at 30 June 2024, the Group complies with all financial covenants.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 BORROWINGS (CONTINUED)

- (a) The details of secured bank borrowings are as follows:

Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Secured by:		
Development properties for sale, property, plant and equipment, shares of a subsidiary, bank deposits, guaranteed by directors of certain subsidiaries and shareholder of a joint venture	1,550,266	1,350,047
Represented by:		
— Current portion	918,508	1,350,047
— Non-current portion	631,758	–

Notes:

- (i) As at 30 June 2024, the amounts comprise land and development loans bore interest at 1.56%–1.85% over one month Hong Kong Interbank Offered Rate (“**HIBOR**”), 1.8% over one month SORA and 1.35% over one month Singapore Interbank Offered Rate (“**SIBOR**”) (31 December 2023: bore interest at 1.6%–1.8% over one-month SORA and 1.65% over one-month SIBOR) per annum. The loans were secured by mortgages over the Group’s development properties for sale (Note 16) and legal assignment of all rights, title and interests in the construction contracts, insurance policies, property, plant and equipment, shares of a subsidiary, bank deposits, sale and purchase agreements in respect of the development properties for sale, personal guarantee of the directors of certain subsidiaries and shareholder of a joint venture.
- (ii) Bank borrowings of HK\$484,263,000 are classified as current liabilities due to repayable on demand clause.
- (b) As at 30 June 2024, unsecured bank borrowings were guaranteed by the Group which bore interest at 1.3%–2.2% over one month HIBOR, and 0.15% over Secured Overnight Financing Rate and fixed interest rate at 4.0 and 5.4% (31 December 2023: 1.0%–1.8% over one month HIBOR).
- (c) As at 30 June 2024, bank borrowings of approximately HK\$78,719,000 (31 December 2023: approximately HK\$80,532,000) were secured by mortgages over part of the Group’s leasehold land and buildings. The effective interest rates of the loans were between 5.3% and 5.7% (31 December 2023: between 4.6% to 6.5%) per annum as at 30 June 2024. The loans will be repaid by fixed monthly payment over 7 years to 18 years (31 December 2023: 8 years to 19 years).
- (d) The loans from non-controlling interests were unsecured and not expected to be repaid within 1 year, except for the current portions which were expected to be repaid within 1 year. The loans are subject to variable interest rates which contractually re-price within 12 months from the financial reporting date. The effective interest rate was 4.0% and 5.0% as at 30 June 2024 (31 December 2023: 4.0% and 5.0%).
- (e) The loan from a financial institution was unsecured which bore interest at 2.2% over one month HIBOR per annum and to be repaid within 1 year.
- (f) The fair values of the bank borrowings and other borrowings approximate their respective carrying values as at 30 June 2024 and 31 December 2023, as these borrowings were charged at market interest rates.
- (g) The Group’s uncommitted banking facilities were subject to annual review. As at 30 June 2024, the undrawn banking facilities amounted to approximately HK\$543,056,000 (31 December 2023: approximately HK\$486,500,000).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 TRADE AND OTHER PAYABLES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Current		
Trade payables to: <i>(Note (b))</i>		
— Related parties	3,384	3,529
— An associated company	152	154
— Third parties	1,659,769	1,753,946
	1,663,305	1,757,629
Other payables to:		
— Non-controlling interests	138,390	116,501
— Related parties	218,392	44,836
— Associated companies <i>(Note (a))</i>	277	288,679
— Third parties	162,082	65,733
— Goods and services tax payable	8,563	13,624
	527,704	529,373
Accruals for operating expenses	129,660	135,445
Accruals for construction costs	528,337	507,211
Deposits received from customers	11,933	6,000
Deferred gain	80,930	44,471
Provision for foreseeable losses on certain construction contracts	–	2,434
	750,860	695,561
	2,941,869	2,982,563

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

19 TRADE AND OTHER PAYABLES (CONTINUED)

Notes:

- (a) The credit terms granted by the suppliers were usually within 14 to 60 days.
- (b) The ageing analysis of trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
1–30 days	1,259,318	1,254,018
31–60 days	145,723	276,900
61–90 days	144,196	108,548
Over 90 days	114,068	118,163
	1,663,305	1,757,629

- (c) During the reporting period, an associated company declared a final dividend of HK\$377,909,000 to the Group, of which HK\$286,689,000 was settled by balance with associated companies.

The amounts due to non-controlling interests, associated companies, related parties and third parties were unsecured, interest-free and repayable on demand. The carrying amounts of trade and other payables approximated their fair values.

20 SHARE CAPITAL

	Number of shares (thousands)	Share capital HK\$'000
Authorised:		
<i>Ordinary Shares</i>		
As 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	6,000,000	60,000
<i>CPS</i>		
As 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	1,000,000	10,000
Issued and fully paid:		
<i>Ordinary shares</i>		
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	1,518,320	15,183
<i>CPS</i>		
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	124,876	1,249

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: same).

22 COMMITMENTS

Capital commitments

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Contracted but not provided for:		
Development expenditure	1,825	3,903
Machinery	3,307	10,605
	5,132	14,508

23 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The following is a summary of significant related party transactions, in addition to those disclosed elsewhere in the Interim Financial Information, which were carried out in accordance with the terms agreed between the Group and the related parties and in the ordinary and usual course of business:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Construction contracts revenue from associated companies	127,077	77,666
Construction contracts revenue from a related party	3,028	1,565
Construction contracts revenue from a joint venture	20,377	–
Dividend declared to non-controlling interests	3,127	–
Dividend income from an associated company	377,908	–
Construction services provided by a related party	–	2,986
Management fee income from associated companies	8,417	7,401
Interest income from associated companies	17,106	13,427
Interest charged by non-controlling interests	18,316	35,727
Rental income from a joint venture	2,516	–

Outstanding balances as at the year-end dates arising from sale/purchase of goods and services, were unsecured and receivable/payable within 12 months from year-end dates, and were disclosed in Note 15 and Note 19.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management compensation

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Directors' fee, salaries, wages and allowances	20,052	19,162
Contribution to retirement benefit scheme	212	236
	20,264	19,398

24 PERFORMANCE BONDS AND CONTINGENT LIABILITIES

As at each statement of financial position date, the Group had the following performance bonds:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Guarantees on performance bonds in respect of construction contracts	1,775,065	1,562,819

The Company also issued corporate guarantees to banks for borrowings of the Group's associated companies, joint ventures and a related party of which the subsidiaries of the Company are non-controlling shareholders. As at 30 June 2024, corporate guarantees issued in relation to these bank borrowings amounted to HK\$1,605,985,000 (31 December 2023: HK\$772,204,000).

25 DISPOSAL OF SUBSIDIARIES

During the six month ended 30 June 2024, the Group entered into a shares transfer agreement with an independent third party to dispose of its entire 66.7% equity interest in CNQC Intelligent Construction (HK) Limited and its subsidiaries (collectively referred as with "CIC Group") which is engaged in modular integrated construction business. The disposal was completed in June 2024, on which date the Group lost control over CIC Group.

Analysis of assets and liabilities over which control was lost:

	HK\$'000 (Unaudited)
Property, plant and equipment	3,909
Trade and other receivables, prepayments and deposits	16,352
Inventories	2,565
Cash and cash equivalents	7,387
Trade and other payables	(69,522)
Borrowings	(25,222)
Net liabilities disposed of	(64,531)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

25 DISPOSAL OF SUBSIDIARIES (CONTINUED)

Gain on disposal of subsidiaries:

	HK\$'000 (Unaudited)
Consideration received and receivable	–
Net liabilities disposed of	64,531
Non-controlling interests	(21,295)
Reclassification of cumulative translation reserve upon disposal	(11)
	43,225
Gain on disposal	43,225
Net cash outflow arising on disposal:	
Total cash consideration received	–
Less: cash and cash equivalents disposed of	(7,387)
	(7,387)

26 EVENT AFTER REPORTING PERIOD

On 19 July 2024, the Company, Rapid Profit Enterprises Limited, an indirect wholly-owned subsidiary of the Company, and Vanke Property (Hong Kong) Company Limited (“**Vanke**”) entered into the deed of indemnity pursuant to which the Company has agreed, subject to the terms and conditions contained therein, to, inter alia, provide the indemnity in favour of Vanke. Further details of this transaction are set out in the Company’s circular dated 23 August 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the six months ended 30 June 2024 (the “**Reporting Period**”), the Group had two major sources of income from foundation and construction business and property development.

Construction business

The construction projects undertaken by the Group can be broadly divided into two major geographical segments, namely “Singapore & other Southeast Asia” and “Hong Kong & Macau”. In Singapore & Southeast Asia, the Group tenders for public construction works, and external private construction works and has been engaged in the Group’s property development projects, whereas in Hong Kong & Macau, the Group is mainly responsible for superstructure construction, foundation works and provision of ancillary services with particular specialisation in piling works.

The Group’s revenue from Singapore and Southeast Asia for the Reporting Period was approximately HK\$2,770.5 million (six months ended 30 June 2023: approximately HK\$1,735.5 million).

During the Reporting Period, for the Singapore segment, the Group completed 2 external construction projects, including 1 public residential project, 1 public facility project. During the Reporting Period, the Group obtained 3 HDB public residential projects with an aggregated contract sum of approximately HK\$4,704.0 million. As at 30 June 2024, the Group had 21 external construction projects on hand and the outstanding contract sums were approximately HK\$11,335.4 million.

During the Reporting Period, for the Southeast Asia construction market, the Group completed 1 private resort project. During the Reporting Period, the Group obtained 1 private residential apartment project and 1 private automobile factory project with an aggregated contract sum of approximately HK\$367.8 million. As at 30 June 2024, the Group had 6 external construction projects on hand and the outstanding contract sums were approximately HK\$1,035.8 million.

The Group’s revenue from the construction contracts in Hong Kong and Macau for the Reporting Period was approximately HK\$1,478.6 million (six months ended 30 June 2023: approximately HK\$1,543.8 million). During the Reporting Period, the Group had undertaken 6 new projects, mainly foundation and superstructure work for residential and public facility projects in Hong Kong. The total contract sum of these projects was approximately HK\$1,614.4 million. As at 30 June 2024, there were 34 projects on hand with outstanding contract sums of HK\$5,381.7 million. Subsequent to the Reporting Period, the Group was awarded two construction contracts in Hong Kong for superstructure work with a total contract sums of HK\$912.1 million.

Property development business

The Group focused on the development and sale of quality residential projects in Singapore.

As of 30 June 2024, the accumulative contracted sales rate of Forett at Bukit Timah (a private condominium development project of the Group at Toh Tuck Road, Singapore) were 100%, with 633 units sold.

As of 30 June 2024, the accumulative contracted sales rate of Tenet (an executive condominium development project of the Group at Tampines Street 62, Singapore) were approximately 99%, with 609 units sold.

As of 30 June 2024, the cumulative contract sales rate of Altura (an Executive Condominium development project of the Group at Bukit Batok West Avenue 8) was approximately 91%, with 334 units sold.

As of 30 June 2024, the accumulative contracted sales rate of the Arden (a private condominium development project of the Group at Phoenix Road, Singapore) were approximately 43%, with 56 units sold.

During the Reporting Period, the Group was granted a number of industrial awards, including Top 10 Developers in Singapore (新加坡十大開發商) from BCI Asia.

MANAGEMENT DISCUSSION AND ANALYSIS

The sales revenue and average selling price (“ASP”) realised by the Group are set out in the table below:

Project	Sales Revenue (HK\$' million)	ASP (HK\$/sq.m)
	Six months ended 30 June 2024	Six months ended 30 June 2024
Forett at Bukit Timah	527.4	124,591
The Arden	107.0	117,322

Forett at Bukit Timah is a mid-end private condominium development project. The project recognised the sales revenue based on percentage of construction completion. During the Reporting Period, it recognised pre-sales revenue of HK\$527.42 million.

The Arden is a mid-end private condominium development project. The project recognised the sales revenue based on percentage of construction completion. During the Reporting Period, it recognised pre-sales revenue of HK\$106.96 million.

As at 30 June 2024, the Group’s current portfolio of property development projects consisted of 2 private condominium development projects and 2 executive condominium development projects in Singapore. The total salable area (“SFA”) is approximately 160,700 sq.m. The project details are as follows:

Project	Location	Intended use	Site area sq.m.	Total SFA sq.m.	Cumulative contracted sales area sq.m.	Cumulative contracted sales amount HK\$ billion	% of completion as at 30 June 2024	Estimated year of construction completion	Ownership relationship
Forett at Bukit Timah	32–46 Toh Tuck Road, Singapore	Residential, Private and Retail Space	33,457	50,003	49,859	6.18	98.1%	July 2024	Subsidiary
The Arden	2/2A/2B–24/24A/24B Phoenix Road, Singapore	Residential, Private and Retail Space	6,465	9,687	4,182	0.46	29.7%	March 2026	Subsidiary
Tenet	Tampines Street 62, Singapore	Residential	23,799	62,159	61,262	5.28	50.5%	December 2025	Associated company
Altura	Bukit Batok West Avenue 8, Singapore	Residential	12,499	38,951	35,440	3.26	18.0%	March 2026	Associated company

Forett at Bukit Timah

Forett at Bukit Timah is a private condominium project on a freehold land which consists of 4 blocks of 9-storey apartments, 9 blocks of 5-storey apartments (total 633 residential units and 2 retail shops), underground car parks and communal facilities. The project is located at the even numbers of 32-46 Toh Tuck Road in Bukit Timah Planning Area in Singapore.

The total SFA of this project is approximately 50,003 sq.m. (including residential units 49,859 sq.m. and commercial units of 144 sq.m.) and the percentage of saleable area pre-sold was 100% as at 30 June 2024. The construction is scheduled to be completed in the third quarter of 2024.

The Arden

The Arden is a private condominium project on a leasehold land with a lease term of 99 years. The project has a total land site area of 6,465 sq.m. and the total estimated gross floor area is 9,687 sq.m.. It is planned to be developed into 3 blocks of 5-storey with about 100 residential units, underground car parks and communal facilities. The project is located at the even numbers of 2/2A/2B–24/24A/24B Phoenix Road.

The total SFA of this project is approximately 9,687 sq.m.. As of 30 June 2024, the percentage of saleable area sold was approximately 43% and the construction is scheduled to be completed in March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Tenet

Tenet is an executive condominium project on a leasehold land with a lease term of 99 years, including 11 blocks 15-storey apartments with 618 residential units, 1 block of multi-storey carpark lots and 1 floor of underground car park. It has communal facilities and landscape views. The project is located at Tampines Street 62.

The total SFA of this project is approximately 62,159 sq.m.. As of 30 June 2024, the percentage of area sold was approximately 99% and the construction is scheduled to be completed in December 2025.

Altura

Altura is an executive condominium project on a leasehold land with a lease term of 99 years. The total land site area is 12,499 sq.m., including 6 blocks of 15-storey residential buildings with around 360 residential units, 1 block of multi-storey car park and 1 floor of underground car park. It has communal facilities and landscape views. The project is located at Bukit Batok West Avenue 8.

The total SFA of this project is approximately 38,951 sq.m. As of 30 June 2024, the percentage of area sold was approximately 91% and the construction is scheduled to be completed in March 2026.

Land bank status

(1) Media Circle project, Singapore

As at 8 February 2024, the Group and Forsea Residence won a bid in respect of the land on Media Circle located in one-north mediapolis in Singapore at the consideration of S\$395.29 million. The site, is a private condominium project on a leasehold land with land use right of 99 years. The total land site area is 10,632 sq.m. and the total SFA is estimated at 30,834 sq.m. It is intended to be developed into one floor of commercial space and 1 floor of underground car park with around 350 residential units, equipped with communal facilities and landscape.

(2) Pasir Ris project, Singapore

As at 1 August 2024, the Group, Forsea Residence and ZACD Laserblue won a bid in respect of the land on jalan loyang baser located in pasir ris in Singapore at the consideration of S\$557.00 million. The site, is an executive condominium project on a leasehold land with land use right of 99 years. The total land site area is 28,405.5 sq.m. and the SFA is estimated at 71,014 sq.m. It is intended to be developed into more than 700 residential units, equipped with underground car parks, communal facilities and landscape.

(3) Yau Tong project, Hong Kong

The Group acquired the land parcels at Yau Tong Marine Lot No. 58 and 59 and the extensions thereto for a total consideration of HK\$530 million. The site area of the lots and its extensions thereto are approximately 17,400 sq.ft. and 5,400 sq.ft. respectively. The maximum allowable plot ratio under the Approved Outline Zoning Plan is 5. Town Planning Board Application to redevelop the site into a residential development was approved in June 2020. The amendment planning of project was approved in March 2022. Land exchange procedures are currently in progress.

(4) Sham Shui Po project, Hong Kong

In January 2023, the Group completed the acquisition for 100% aggregate ownership of all 4 lots located at 163–169 Yee Kuk St in Sham Shui Po. Together with its joint-venture partners, the site will be redeveloped into a residential building with a commercial podium. General Building Plans were approved by the Buildings Department in October 2020. Demolition works for the existing buildings were completed in the 4th quarter of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

(5) Tai Po project, Hong Kong

The Group, in partnership with Vanke Property (Hong Kong) Company Limited, was awarded the site located along Ma Wo Road, Tai Po, New Territories held under Tai Po Town Lot No. 243 in July 2020 at the premium price of HK\$3.705 billion. Tai Po Town Lot No. 243 has a site area of approximately 243,353 sq. ft. and is designed for private residential purposes. The maximum gross floor area is 781,897 sq. ft. General Buildings Plans for the development were approved in December 2021.

The management believes that it is essential to replenish its land bank for the Group's sustainable project development in the coming years. The Group will follow its current strategy on land bank reserve whilst taking a prudent approach in selecting quality land at a reasonable price suitable for the Group's investment.

Investment in medicine fund

In 2020, the Group entered into subscription agreements to subscribe for limited partnership interests in a fund which is engaged in the investment in healthcare and biotechnology related business at an aggregate subscription amount of up to US\$25.64 million (equivalent to HK\$200 million). As at 30 June 2024, the Group had an aggregate subscription amount of approximately US\$20.92 million (equivalent to HK\$163 million). The fund is focusing on research and development of certain new medicines, including super antibiotics against super bacteria, and new drugs for the treatment of rheumatoid arthritis, chronic obstructive pulmonary disease and atopic dermatitis. Please refer to the announcement of the Company dated 21 May 2020 for further details.

The progress of the research and development progress of the drugs is as follows:

1. The new medicine for the treatment of chronic obstructive pulmonary disease was approved as an investigational new drug for Phase I clinical trial in the first half of 2021.
2. The new medicine for the treatment of atopic dermatitis was approved as an investigational new drug for Phase I clinical trial in the first half of 2022.
3. The new medicine of the super antibiotics was approved as an investigational new drug for Phase I clinical trial in the second half of 2022.
4. The new medicine for treatment of rheumatoid arthritis was approved as an investigational new drugs for Phase I clinical trial in the second half of 2023.

Currently, the relevant clinical plans for the four new drugs have been formulated and further adjustments will be made given the changing market situation. In view of the overall downturn in the biopharmaceutical market, the research and development procedures for entering the clinic have been delayed. In addition, the Company has communicated with the fund manager and does not rule out the possibility of finding suitable industrial partners for joint research and development or the transfer of interests.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's total revenue for the Reporting Period was approximately HK\$4,883.6 million (six months ended 30 June 2023: approximately HK\$4,228.5 million), representing an increase of approximately 15.5% over the six months ended 30 June 2023. The increase was mainly due to significant increase in construction revenue from Singapore during the Reporting Period.

During the Reporting Period, the revenue of the "Foundation and construction — Hong Kong and Macau" segment was approximately HK\$1.48 billion (six months ended 30 June 2023: approximately HK\$1.54 billion), representing a decrease of approximately 4.2% over the same period last year.

During the Reporting Period, revenue derived from the projects in Singapore and South East Asia was approximately HK\$3.41 billion (six months ended 30 June 2023: approximately HK\$2.68 billion). Out of the approximately HK\$3.41 billion revenue derived from the Singapore segment, revenue derived from construction business was approximately HK\$2.77 billion, representing an increase of 59.6% over the same period last year; the aggregate contracted sales of properties amounted to approximately HK\$0.6 billion, representing a decrease of 33.2% over the same period last year.

Gross Profit Margin

The Group's gross profit margin during the Reporting Period was approximately 5.7% (six months ended 30 June 2023: approximately 1.9%). The increase in gross profit margin was mainly due to effective construction cost management in Singapore and hence the gross profit margin increased during the Reporting Period when compared to the corresponding period in 2023.

Selling and Marketing Expenses

The Group's selling and marketing expenses for the Reporting Period were approximately HK\$24.8 million (six months ended 30 June 2023: approximately HK\$34.7 million), which was approximately 0.5 % (six months ended 30 June 2023: approximately 0.8%) of the Group's total revenue. The decrease was mainly due to decrease in sales commissions incurred for property sales during the Reporting Period.

General and Administrative Expenses

The Group's general and administrative expenses for the Reporting Period were approximately HK\$133.4 million (six months ended 30 June 2023: approximately HK\$115.9 million), representing an increase of approximately 15.1% over the six months ended 30 June 2024. The increase was mainly due to the increase in staff costs recognised during the Reporting Period.

Finance Costs

During the Reporting Period, the Group has decreased their total borrowings which resulted in a decrease in the Group's finance costs to approximately HK\$148.1 million during the Reporting Period (six months ended 30 June 2023: approximately HK\$179.0 million).

Net Profit

During the Reporting Period, the Group recorded a net profit of approximately HK\$29.6 million (six months ended 30 June 2023: net loss of approximately HK\$138.1 million). The profit attributable to owners of the Company was approximately HK\$23.8 million (six months ended 30 June 2023: net loss attributable to owners of the Company of HK\$147.3 million).

The turnaround from net loss to net profit was primarily attributable to (i) the improvement in the gross profit margin of Singapore construction segment for the Reporting Period as compared to the corresponding period of 2023; and (ii) the decrease in finance cost, resulting from the decrease in the total borrowings of the Group as compared to the corresponding period of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

As we enter 2024, the surroundings remain intricate and the economy across the globe is still clouded by political turmoil, geopolitical tensions and high interest rates. The overall economy has descended into chaos. As the growth momentum is insufficient and the overall inflation remains to be at a high level, the recovery is still put to the test. Despite the challenging global environment, the Group generally saw a positive performance in the three main regions of Hong Kong, Singapore and Malaysia.

Based on advance estimates released by the Ministry of Trade and Industry of Singapore, the gross domestic product (GDP) of Singapore grew by 2.9% on a year-on-year basis in the second quarter of 2024, extending the 3.0% growth in the previous quarter. The Singapore economy achieved good results in the first half of 2024 and is expected to continue to grow steadily in 2024. In the long term, it is expected that Singapore's economy will remain competitive. According to IMD World Competitiveness Yearbook 2024, Singapore has surpassed the ranking of Switzerland and Denmark, and becomes the world's most competitive economy. Singapore reached the top of the 67-economy rankings for the first time since 2020.

Construction demands will continue to improve gradually in the second half of 2024, with the majority contribution from the public sector. According to the Building and Construction Authority, such demands include public housing and infrastructure projects such as the contracts for Cross Island MRT Line Phase 2, and a series of infrastructure works such as the Changi Airport Terminal 5 project and the Tuas Harbour project, and industrial, energy and utility projects. Private sector construction demands are expected to derive from the sale of government land and two comprehensive development expansion projects. On the other hand, Singapore's new regulations on foreign workers, including higher levies and lower quotas, are expected to exert further upward pressure on labor costs within the construction sector. Also, the Company anticipates that raw material and energy costs will remain high due to the international political turmoil. The government is continuing to implement new initiatives, and the Company will always monitor, understand and adapt to these changes to respond to future challenges and opportunities in a better way.

Malaysia's data center market is experiencing unprecedented growth due to the increasing demand for cloud computing and big data in the Southeast Asian region. International investors are rushing in to build new data centers in Malaysia. Analysts note that Malaysia's strengths in power supply and cooling technology make it an ideal choice for regional data center investment. At present, Malaysia is fast becoming a new hotspot for data center investment, for example, international data center giants such as Amazon Web Services (AWS) and Google Cloud are accelerating the establishment of data centers in Malaysia to meet the growing demand for digitization. These investments are not only boosting the local economy, but are also bringing a wealth of technical talent and innovation opportunities to Malaysia. The data center market in Malaysia is statistically expected to see a significant growth over the next five years. In addition, with the global manufacturing sector shifting to Southeast Asia, the demand for industrial plants in Malaysia has risen sharply. Investors, especially from Europe, the US and Japan, are rushing to set up new factories in Malaysia. Coupled with this, many international companies, especially those in the automotive manufacturing and electronics industries, are also setting up production bases to take advantage of Malaysia's low-cost labor and advanced infrastructure. Given the large amount of foreign capital attracted by the Malaysian government's favourable policies and stable business environment, the construction of industrial plants is expected to continue to expand in the coming years. However, amidst the rapid development of the global economy, our Group's business development in Malaysia has reached a new milestone. In the first half of the Year, we not only succeeded in tendering for a residential project of strategic significance, but also secured a major industrial plant project, fully demonstrating our outstanding strength and broad prospects in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the 2024-25 Budget of the Hong Kong Special Administrative Region (HKSAR) (the “**Budget**”), it is forecasted that the Hong Kong economy will continue to grow at a real growth rate of approximately 3.2% per annum in the coming years. Underlying inflation is projected to average 2.5% per year. In addition, in the Budget, the Hong Kong Government put forward a plan on housing supply. It is planned that about 380,000 public housing units shall be built in the next decade, while the annual new production of the private residential portion is expected to exceed 19,000 units, with a potential supply of about 109,000 new private residential units in the next three to four years. The Hong Kong Housing Authority would continue to adopt the Modular Integrated Construction (MiC) method in suitable projects so that not less than half of the total public housing units (about 238,000 units) to be completed from 2028–29 to 2032–33 would adopt the MiC method, while the remaining projects would adopt the Design for Manufacturing and Assembly (DfMA) method. The Hong Kong Housing Authority will continue to apply innovative building technologies and develop the second generation of the Modular Integrated Construction (MiC 2.0) method to further speed up the construction process and enhance its efficiency. The development of the Northern Metropolis will be continuously promoted, with the expectation of about 500,000 new housing units in the future. Looking ahead to the next five to ten years, Hong Kong’s construction market will see an increase in the overall volume of works, bringing broader development prospects and growth opportunities for the construction industry. The Group has won a number of tenders from the Hong Kong Government for public housing construction projects. In the future, the Group will continue to focus on the public housing construction market and will certainly benefit from the rich experience of the MiC construction project in Singapore and gain more development opportunities.

The Group will continue to maintain the advantages of its collaborative business development model in the established markets, develop in an active and steady way through quality, progress and cost control, and maintain its competitive advantage in the major markets of Singapore, Hong Kong and Malaysia to make profound and steady progress. It will keep maintaining good business relationships with government agencies to maximize the number of project contracts awarded, and strengthen the active development of social projects as well as participate in other projects such as commercial properties, industrial plants or public utilities. The Group will also continue to enhance and apply the MiC technology and strengthen the innovation and upgrading of MiC technology to make continuous improvement in project quality, and at the same time, establish a long-term and solid development blueprint to create higher returns for the shareholders of the Company (the “**Shareholders**”).

DEBTS AND CHARGE ON ASSETS

The total interest bearing borrowings of the Group, including bank borrowings, loan from non-controlling interests of subsidiaries and lease liabilities, decreased from approximately HK\$5.1 billion as at 31 December 2023 to approximately HK\$4.4 billion as at 30 June 2024. These banking facilities were secured by the Group’s property, plant and equipment and development properties for sale with net carrying amounts of HK\$221,411,000 (As at 31 December 2023: HK\$223,852,000) and HK\$1,109,396,000 (As at 31 December 2023: HK\$1,538,858,000), respectively.

Borrowings were denominated mainly in Singapore Dollar, Hong Kong Dollar and US Dollar. Interests on bank borrowings were charged at floating rates. The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary.

Details of borrowings are set out in Note 18 to the unaudited condensed consolidated interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group adopts a conservative approach towards its treasury policies.

The Group has funded the liquidity and capital requirements primarily through bank borrowings and cash inflows from the operating activities.

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$0.9 billion (As at 31 December 2023: HK\$1.6 billion) of which approximately 75.3% was held in Singapore Dollar, 21.0% was held in Hong Kong Dollar, 2.0% was held in Malaysian Ringgit and the remaining was mainly held in US Dollar, Macau Patacas, Vietnamese Dong and Indonesian Rupiah. The gearing ratio of the Group as at 30 June 2024 (defined as the net debt divided by total equity plus net debt, where net debt is defined as borrowings less cash and cash equivalents and pledged bank deposits) was approximately 54.3% (As at 31 December 2023: approximately 54.9%).

During the Reporting Period, the Group has employed foreign exchange forward contracts for hedging purposes.

FOREIGN EXCHANGE

Since the Group mainly operates in Singapore and Hong Kong and most of the revenue and transactions arising from its operations were settled in Singapore Dollar and Hong Kong Dollar, and the Group's assets and liabilities were primarily denominated in Singapore Dollar and Hong Kong Dollar, the Board believes that the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates. During the Reporting Period, the Group minimises its foreign exchange exposure of borrowing by way of entering into forward contracts with reputable financial institutions. The hedging policies are regularly reviewed by the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Reporting Period, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company.

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had capital commitments of approximately HK\$1.8 million (31 December 2023: HK\$3.9 million) for development expenditure and HK\$3.3 million (31 December 2023: HK\$10.6 million) for purchase of property, plant and equipment. Save as disclosed in this report, the Group did not have any existing plan for acquiring other material investments or capital assets.

CONTINGENT LIABILITIES

Save as disclosed in note 24 to the unaudited condensed consolidated interim financial information, the Group had no other contingent liabilities as at 30 June 2024 and 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENT AFTER THE REPORTING PERIOD

Major transaction in relation to provision of financial assistance

With respect to the facility agreement entered into between, among others, Wealth Honour Limited (the **"Borrower"**), a direct wholly-owned subsidiary of Jubilant Castle Limited (the **"JV Company"**) (which is in turn owned as to 95% by Wkinv HK Holdings Limited, a wholly-owned subsidiary of Vanke Property (Hong Kong) Company Limited (**"Vanke"**), and 5% by Rapid Profit Enterprises Limited (**"RPEL"**), an indirect wholly-owned subsidiary of the Company) and the relevant banks, including Bank of Communications Co. Ltd. Hong Kong Branch, Oversea-Chinese Banking Corporation Limited, CMB Wing Lung Limited and DBS Bank (Hong Kong) Limited granting the term loan facilities of up to an aggregate principal amount of HK\$5,240,000,000 (the **"Term Loan Facilities"**) to the Borrower (the **"Lenders"**) in relation to the Term Loan Facilities on 15 August 2023 (the **"Facility Agreement"**), Vanke and the Company agreed to provide and executed the relevant guarantee in favor of the Lenders in respect of 95% and 5% of the liabilities and obligations of the Borrower thereof respectively, in proportion to their respective effective shareholding interest in the Borrower (in relation to the guarantee provided by Vanke to the Lenders, the **"Guarantee (Vanke)"**). As security for the secured indebtedness under the Facility Agreement and all the other relevant finance documents (the **"Secured Indebtedness"**), among others, the Borrower, Vanke, CNQC Realty (Hong Kong) Limited (**"CNQC Realty"**), an indirect wholly-owned subsidiary of the Company, and the JV Company had entered into a subordination agreement on 18 August 2023 in favour of the security agent under the Facility Agreement, DBS Bank Ltd., Hong Kong Branch to subordinate indebtedness owed by the Borrower to Vanke, CNQC Realty and the JV Company to the Secured Indebtedness.

In order for the Lenders to continue making available to the Borrower the Term Loan Facilities, the Company agreed to indemnify Vanke and Vanke agreed to, inter alia, amend the Guarantee (Vanke) to expand the guaranteed indebtedness to cover 100% of the Borrower's obligations under the Facility Agreement and the relevant finance documents.

On 19 July 2024 (after trading hours), the Company, RPEL and Vanke entered into a deed of indemnity, pursuant to which the Company shall immediately on demand, (a) pay to Vanke 5% of each payment made or required to be made by Vanke under or in connection with Vanke's obligations under the relevant revised finance documents (including but not limited to the Facility Agreement and Guarantee (Vanke)) all dated 19 July 2024 mainly for expanding Vanke's coverage of its guarantee for the Secured Indebtedness to 100% for the purpose of continuing to make available to the Borrower the Term Loan Facilities (as amended, novated, supplemented, extended or restated or replaced from time to time) (the **"Amended Documents"**); and (b) indemnify Vanke against (i) 5% of all liabilities and (ii) any cost, loss, damage, claim, proceedings, action, expense or liability suffered or incurred by Vanke by reason of Vanke's entry into, execution and/or performance of any Amended Document or by reason of Vanke's performance of Vanke's obligations under the Amended Documents, in each case up to the amount equivalent to the 5% of Vanke's obligations under the Amended Documents (the **"Deed of Indemnity"**).

For further details relating to the Deed of Indemnity, please refer to the announcements of the Company dated 19 July 2024 and 24 July 2024 and the circular of the Company dated 23 August 2024.

Save as otherwise disclosed in this report, there are no significant events after the Reporting Period and up to the date of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had 2,858 full-time employees (31 December 2023: 2,857 full-time employees). Most of the Group's employees were based in Singapore and Hong Kong. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from mandatory provident fund and in-house training programmes, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for Reporting Period was approximately HK\$465.9 million compared to approximately HK\$337.8 million for the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT SHARE SCHEME

Pursuant to the Share Purchase Agreement dated 23 May 2015 entered into between the Company and Guotsing Holding (South Pacific) Investment Pte. Ltd. in respect of the Company's acquisition of the entire issued share capital of Wang Bao Development Limited ("**Acquisition**"), a management share scheme (the "**Management Share Scheme**") was set up by Guotsing Holding Company Limited and a trust was constituted on 15 October 2015. Part of the consideration for the Acquisition was settled by the Company issuing 304,599,273 new non-redeemable convertible preference shares (the "**CPS**") of the Company to the trustee of the Trust for the purpose of the Management Share Scheme for certain senior management and employees of Guotsing Holding Group Co. Limited (including the Company). The Management Share Scheme had a term commencing from the completion of the Acquisition and expired on 1 April 2022 "Expiry Date". The Management Share Scheme involves only existing CPS.

Following the expiry of the Management Share Scheme, no further grant of CPS is allowed. As at 1 January 2024, 30 June 2024 and the date of this report, there was no unvested CPS under the Management Share Scheme and during the Reporting Period, no CPS was granted, vested, cancelled or lapsed under the Management Share Scheme. The amount of the CPS that was available for issue under the Scheme and the percentage of issued CPS that it represents as at the Expiry Date and the date of the interim report is nil.

There are no other information that are required to be disclosed under rule 17.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") regarding the Management Share Scheme.

INTERIM DIVIDEND

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

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

On 23 June 2024, the Shareholders granted a general mandate (the "**Repurchase Mandate**") to the directors of the Company (the "**Directors**") to repurchase the ordinary shares of the Company (the "**Shares**") at the annual general meeting (the "**AGM**"). Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 151,832,003 Shares, being 10% of the total number of issued Shares as at the date of the AGM, on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CHANGE IN INFORMATION OF DIRECTOR(S) UNDER RULE 13.51B(1) OF THE LISTING RULES

After having made all reasonable enquiry, the Company is not aware of any information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company for the year ended 31 December 2023 and up to the date of this report.

DISCLOSURE OF INTEREST

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF THE ASSOCIATED CORPORATIONS

As at 30 June 2024, interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 to the Listing Rules are as follows:

Interests in the Shares and underlying Shares of the Company

Name of director	Capacity	Number of Shares and underlying Shares held in long position	Approximate percentage of interests
Mr. Wang Congyuan	Beneficiary of a trust (note 1)	6,189,663	0.41%
	Beneficial owner	1,944,916	0.10%
Mr. Li Jun (李軍)	Beneficiary of a trust (note 1)	2,602,497	0.17%
	Beneficial owner	990,624	0.06%
Dr. Du Bo	Interest in controlled corporation (note 2 and note 3)	1,124,759,528	74.08%
	Beneficiary of a trust (note 1)	45,689,892	3.01%
	Beneficial owner	12,504,972	0.82%
Mr. Du Dexiang	Interest in controlled corporation (note 3)	100,000,000	6.59%

Notes:

1. This represents long position in the underlying CPS under the Awards granted under the Management Share Scheme. Please refer to the paragraph headed "Management Share Scheme" in this report for more details.
2. The 1,024,759,528 Shares are deemed to be interest by Dr. Du Bo, as the Shares are directly and indirectly held by Guotsing Holding Company Limited ("**Guotsing BVI**"), which is a company wholly owned by Hao Bo Investments Limited, which in turn is held as to 48.55% by Top Elate Investments Limited and 51.45% by Bliss Wave Holding Investments Limited. Bliss Wave Holding Investments Limited is a company held as to 74.53% by Hui Long Enterprises Limited, which is a company wholly-owned by Dr. Du Bo. Top Elate Investments Limited is a company wholly-owned by Qingdao Qingjian Holdings Co. which in turn is held as to 99.98% by the Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership). The managing partner of Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership) is Dr. Du Bo.
3. The 100,000,000 Shares are deemed to be interest by Dr. Du Bo and Mr. Du Dexiang, as the Shares are held by Victorious Path International Limited, which is a company wholly owned by Guotsing Group (HK) Limited, which in turn is wholly owned by Hyday (South Pacific) Investment Pte Ltd, which in turn is wholly owned by Guotsing Holding (South Pacific) Investment Pte. Ltd., which in turn is wholly owned by Guotsing Holding Group Co. Ltd. Guotsing Holding Group Co. Ltd is a company held as to 42.1% by Shanghai Heliyuan Investment Ltd and 51.9% by Qingdao Qingjian Group Co Ltd which in turn is held as to 99.98% by the Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership). Shanghai Heliyuan Investment Ltd is a company held as to 59.5% by Dr. Du Bo and 40% by Mr. Du Dexiang.

Save as disclosed above, as at 30 June 2024, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTEREST

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2024, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long position in the Shares and underlying Shares

Name of substantial shareholder	Capacity/Nature of interest	Number of Shares and underlying Shares held/interested	Approximate Shareholding Percentage
Hui Long Enterprises Limited	Interest in controlled corporation (Note 1)	1,024,759,528	67.49%
Bliss Wave Holding Investments Limited	Interest in controlled corporation (Note 1)	1,024,759,528	67.49%
Top Elate Investments Limited	Interest in controlled corporation (Note 1)	1,024,759,528	67.49%
Hao Bo Investments Limited	Interest in controlled corporation (Note 1)	1,024,759,528	67.49%
Guotsing Holding Company Limited	Beneficial owner (Note 1) Interest in controlled corporation (Notes 1, 2 and 3)	756,421,520 268,338,008	49.82% 17.67%
Trustee	Trustee (Note 5)	124,875,197	8.22%
Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership)	Interest in controlled corporation (Note 1)	1,124,759,528	74.08%
Qingdao Qingjian Holdings Co	Interest in controlled corporation (Note 1)	1,124,759,528	74.08%
CNQC Development Limited	Beneficial owner (Note 2)	224,145,000	14.76%
Guotsing Finance Holding Limited	Interest in controlled corporation (Note 3)	44,193,008	2.91%
Guotsing Asset Management Limited	Interest in controlled corporation (Note 3)	44,193,008	2.91%
Guotsing Growth Fund LP I	Beneficial owner (Note 3)	44,193,008	2.91%
China Great Wall AMC (International) Holdings Company Limited	Beneficial owner	142,000,000	9.35%
Shanghai Heliyuan Investment Limited	Interest in controlled corporation (Note 4)	100,000,000	6.59%
Guotsing Holding Group Company Limited	Interest in controlled corporation (Note 4)	100,000,000	6.59%
Guotsing Holding (South Pacific) Investment Pte. Ltd.	Interest in Controlled corporation (Note 4)	100,000,000	6.59%
Hyday (South Pacific) Investment Pte. Ltd.	Interest in Controlled corporation (Note 4)	100,000,000	6.59%
Guotsing Group (HK) Limited	Interest in Controlled corporation (Note 4)	100,000,000	6.59%
Victorious Path International Limited	Beneficial owner (Note 4)	100,000,000	6.59%

DISCLOSURE OF INTEREST

Notes:

- (1) Guotsing BVI is a company wholly owned by Hao Bo Investments Limited, which in turn is held as to 48.55% by Top Elate Investments Limited and 51.45% by Bliss Wave Holding Investments Limited. Bliss Wave Holding Investments Limited is a company held as to 74.53% by Hui Long Enterprises Limited, which is a company wholly-owned by Dr. Du Bo. Top Elate Investments Limited is a company wholly-owned by Qingdao Qingjian Holdings Co. which in turn is held as to 99.98% by the Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership). The managing partner of Qingdao ZhiXinDa Enterprise Management Partnership (Limited Partnership) is Dr. Du Bo. Thus, Dr. Du Bo is deemed to be interested in the 1,024,759,528 Shares directly and indirectly held by Guotsing BVI.
- (2) The 224,145,000 Shares were held by CNQC Development Limited ("**CNQC Development**") as at 30 June 2024. CNQC Development is wholly-owned by Guotsing BVI.
- (3) Guotsing Asset Management Limited is the general partner of Guotsing Growth Fund LP I, and is in turn wholly held by Guotsing Finance Holding Limited, which is wholly-owned by Guotsing BVI.
- (4) GUOTSING Group (HK) Ltd is a company which wholly owns Victorious Path International Limited, and is in turn wholly held by Hyday (South Pacific) Investment Pte Ltd, which is wholly-owned by Guotsing Holding (South Pacific) Investment Pte. Ltd. Guotsing Holding (South Pacific) Investment Pte. Ltd is a company wholly owned by Guotsing Holding Group Limited, which in turn is held as to 57.9% by Qingdao Qingjian Holdings Co. and 42.1% by Shanghai Heliyuan Investment Limited. Shanghai Heliyuan Investment Ltd is a company held as to 59.5% by Dr. Du Bo and 40% by Mr. Du Dexiang.
- (5) This represents the CPS under the Awards held by the Trustee pursuant to the Management Share Scheme. Please refer to the paragraph headed "Management Share Scheme" in this report for more details.

Save as disclosed above, as at 30 June 2024, to the best information, knowledge and belief of the Directors, no person (other than the Directors and chief executive of the Company), had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2024, the Group provided financial assistance to its affiliated companies in an aggregate amount of approximately HK\$2,764.0 million. The aggregate amount of the Group's financial assistance given to its affiliated companies (as defined under Rule 13.11(2)(a) of the Listing Rules) exceeded 8% of the relevant percentage ratios under the Listing Rules. The Group has equity interests ranging from 5% to 50% in these affiliated companies.

See note 15 to the unaudited condensed consolidated interim financial information for details of the financial assistance provided to the Company's affiliated companies.

A pro forma combined statement of financial position of these affiliated companies with financial assistance from the Group and the Group's attributable interests in these affiliated companies as at 30 June 2024 were as follows:

	Combined statement of financial position <i>HK\$'000</i>	Group's attributable interests <i>HK\$'000</i>
Non-current assets	483,877	199,740
Current assets	16,308,102	4,338,513
Current liabilities	(3,427,461)	(1,340,457)
Total assets less current liabilities	13,364,518	3,197,796
Non-current liabilities	(13,110,833)	(3,089,655)
Net assets	253,685	108,141

Note:

Significant items included are as below:

Current assets

Development properties for sale	15,369,312	3,983,206
Trade and other receivables	400,124	147,440
Cash and cash equivalents	408,497	155,140

Current liabilities

Trade and other payables	2,804,238	1,102,095
Borrowings	616,370	237,470

Non-current liabilities

Borrowings	13,105,675	3,088,855
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CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

Corporate Governance Code

The Company had complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the Reporting Period.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct of the Company regarding directors' transactions of the listed securities of the Company. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has reviewed with the Company's management the accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including the review of the unaudited interim financial statements for the Reporting Period and was satisfied that these unaudited financial statements were prepared in accordance with applicable accounting standards.

By order of the Board
Mr. Wang Congyuan
Chairman

Hong Kong
30 August 2024