



# Great China Holdings (Hong Kong) Limited

## 大中華控股(香港)有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 00021

INTERIM REPORT

# 2024



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>REVENUE</b>	4	<b>5,180</b>	18,725
Cost of sales and services		<b>2,001</b>	(11,993)
<b>GROSS PROFIT</b>		<b>3,179</b>	6,732
Other income and gains	4	<b>595</b>	144
Selling and distribution expenses		<b>(1,252)</b>	(1,918)
Administrative and operating expenses		<b>(11,921)</b>	(10,388)
Foreign exchange gain, net		<b>19,386</b>	33,627
Finance costs	5	<b>(638)</b>	(27)
<b>PROFIT BEFORE TAX</b>	6	<b>9,349</b>	28,170
Income tax expenses	7	<b>(1,228)</b>	(110)
<b>PROFIT FOR THE PERIOD</b>		<b>8,121</b>	28,060
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(40,078)</b>	(76,802)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(31,957)</b>	(48,742)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
– Owners of the Company		<b>8,121</b>	28,060
– Non-controlling interests		–	–
		<b>8,121</b>	28,060
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>			
– Owners of the Company		<b>(31,957)</b>	(48,742)
– Non-controlling interests		–	–
		<b>(31,957)</b>	(48,742)
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	9	<b>HK0.20 cents</b>	HK0.71 cents

The accompanying notes on pages 7 to 18 form an integral part of this interim financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	180,797	185,262
Right-of-use assets	11	1,685	102
Investment properties	12	218,831	224,189
Goodwill		192,574	197,314
Interests in associates		–	–
Loan receivable from an associate, net		126,941	130,047
Properties under development	13	578,409	591,925
Total non-current assets		1,299,237	1,328,839
<b>CURRENT ASSETS</b>			
Properties held for sale		809,064	804,789
Trade receivables	14	1,447	1,049
Prepayments, deposits and other receivables	15	44,638	37,938
Cash and bank balances		46,315	46,472
Total current assets		901,464	890,248
<b>CURRENT LIABILITIES</b>			
Trade payables	16	44,136	45,357
Other payables and accruals		218,266	187,580
Lease liabilities	11	1,699	105
Promissory note	17	16,800	22,300
Amounts due to related companies		192,468	185,239
Amounts due to substantial shareholders		759,897	775,259
Tax payable		97	99
Total current liabilities		1,233,363	1,215,939
<b>NET CURRENT LIABILITIES</b>		<b>(331,899)</b>	<b>(325,691)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>967,338</b>	<b>1,003,148</b>

	<i>Notes</i>	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		157,325	161,178
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>157,325</b>	161,178
<b>NET ASSETS</b>			
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	18	983,266	983,266
Other reserves		(173,266)	(141,309)
		<b>810,000</b>	841,957
Non-controlling interests		13	13
<b>TOTAL EQUITY</b>		<b>810,013</b>	841,970

The accompanying notes on pages 7 to 18 form an integral part of this interim financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Share capital	Capital reduction reserve*	Share-based payment reserve*	Translation reserve*	Accumulated losses*	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (Audited)	983,266	265,505	1,607	(148,779)	(206,246)	895,353	13	895,366
Profit for the period	-	-	-	-	28,060	28,060	-	28,060
Other comprehensive loss for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(76,802)	-	(76,802)	-	(76,802)
Total comprehensive loss for the period	-	-	-	(76,802)	28,060	(48,742)	-	(48,742)
Share options lapsed	-	-	(1,607)	-	1,607	-	-	-
<b>At 30 June 2023 (Unaudited)</b>	<b>983,266</b>	<b>265,505</b>	<b>-</b>	<b>(225,581)</b>	<b>(176,579)</b>	<b>846,611</b>	<b>13</b>	<b>846,624</b>
At 1 January 2024 (Audited)	<b>983,266</b>	<b>265,505</b>	<b>-</b>	<b>(198,134)</b>	<b>(208,680)</b>	<b>841,957</b>	<b>13</b>	<b>841,970</b>
Profit for the period	-	-	-	-	8,121	8,121	-	8,121
Other comprehensive loss for the period:								
Exchange differences arising on translation of foreign operations	-	-	-	(40,078)	-	(40,078)	-	(40,078)
Total comprehensive loss for the period	-	-	-	(40,078)	8,121	(31,957)	-	(31,957)
<b>At 30 June 2024 (Unaudited)</b>	<b>983,266</b>	<b>265,505</b>	<b>-</b>	<b>(238,212)</b>	<b>(200,559)</b>	<b>810,000</b>	<b>13</b>	<b>810,013</b>

\* These reserve accounts represent in aggregate the consolidated deficits of approximately HK\$173,266,000 (31 December 2023: consolidated deficits of approximately HK\$141,309,000) in the unaudited interim condensed consolidated statement of financial position.

The accompanying notes on pages 7 to 18 form an integral part of this interim financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES</b>			
Profit before tax		9,349	28,170
Adjustments for:			
Bank interest income	4	(224)	(92)
Finance costs	5	638	27
Depreciation of property, plant and equipment	6	37	49
Depreciation of right-of-use assets	6	851	1,252
Exchange differences, net		(19,079)	(26,380)
		(8,428)	3,026
Increase in properties held for sale		(23,767)	(9,058)
Increase in properties under development		(632)	(1,104)
Increase in trade receivables		(423)	(179)
Increase in prepayments, deposits and other receivables		(7,573)	(9,603)
(Decrease) Increase in trade payables		(137)	576
Increase in other payables and accruals		34,547	21,775
Cash (used in) generated from operations		(6,413)	5,433
PRC tax paid		(1,228)	(469)
Net cash flows (used in) from operating activities		(7,641)	4,964
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Bank interest received		224	92
Purchases of property, plant and equipment		–	(906)
Increase in pledged and restricted bank balances		(5,384)	(14,494)
Net cash flows used in investing activities		(5,160)	(15,308)

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(38)	(27)
Advance from (Repayment to) substantial shareholders	2,770	(17,688)
Advance from related companies	11,656	8,194
Proceed from issuance of promissory note	–	22,300
Repayment of promissory note	(5,500)	–
Repayment of lease liabilities	(808)	(1,288)
Net cash flows from financing activities	8,080	11,491
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,721)	1,147
Cash and cash equivalents at beginning of the period	15,051	589
Effect of foreign exchanges, net	(70)	(20)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	10,260	1,716
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	46,315	34,518
Less: Pledged and restricted bank balances	(36,055)	(32,802)
	10,260	1,716

The accompanying notes on pages 7 to 18 form an integral part of this interim financial statements.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Great China Holdings (Hong Kong) Limited (the “Company”) is a limited liability company incorporated in Hong Kong. Its registered office is located at Room 6668, 66/F., The Center, 99 Queen’s Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development and investment.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The unaudited interim condensed consolidated financial statements have been prepared on the historical costs basis, except for certain investment properties which are measured at fair value, and presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company, and rounded to the nearest thousand unless otherwise indicated.

The unaudited interim condensed consolidated financial statements includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2023, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The preparation of the unaudited interim condensed consolidated financial statements in conformity with HKAS 34 requires the directors of the Company to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



The unaudited interim condensed consolidated financial statements has not been audited by the Company's independent auditor, but has been reviewed by the Company's audit committee.

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

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's independent auditor has reported on those financial statements. The auditor's report was not qualified or otherwise modified; did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap.622).

## 2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised HKFRSs issued by the HKICPA for the first time for the current period's unaudited interim condensed consolidated financial statements.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effect on the results and financial position of the Group for the current and prior accounting periods. At the date of authorisation of the unaudited interim condensed consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current period, which the Group has not early adopted. The directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results and the financial position of the Group.

## 3. OPERATING SEGMENT INFORMATION

The Group has a single reportable segment based on the location of the operations, which is the property development and investment located in the People's Republic of China (the "PRC"). Information reported to the Group's chief operating decision makers for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

#### 4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the income from the sales of properties, property management income and gross rental income during the six months ended 30 June 2024 and 2023.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue from contracts with customers within HKFRS 15:		
Sales of properties	–	13,470
Property management income	4,390	3,775
	<b>4,390</b>	17,245
Revenue from other sources:		
Gross rental income	790	1,480
Total revenue	<b>5,180</b>	18,725
Other income and gains:		
Bank interest income	224	92
Others	371	52
	<b>595</b>	144

#### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on lease liabilities	38	27
Interest on loan from a substantial shareholder	75	–
Interest on promissory note	525	–
	<b>638</b>	27

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Staff costs (including directors' remuneration)		
Salaries, allowances and benefit in kind	8,701	7,351
Pension scheme contributions	857	852
	<b>9,558</b>	8,203
Cost of properties sold	–	10,023
Depreciation of property, plant and equipment	37	49
Depreciation of right-of-use assets	851	1,252
Auditor's remuneration	500	455
Direct operating expenses arising from investment properties that generated rental income	72	195

## 7. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes during the six months ended 30 June 2024 and 2023.

The Group's entities established in the PRC are subject to Enterprise Income Tax ("EIT") of the PRC at a statutory rate of 25% for the six months ended 30 June 2024 and 2023. For the six months ended 30 June 2024 and 2023, EIT has not been provided as the Group incurred a loss for taxation purpose.

The PRC Land Appreciation Tax ("LAT") was provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Deferred tax credited to profit or loss	–	(421)
LAT in the PRC	1,228	531
Total income tax expenses for the period	<b>1,228</b>	110

## 8. DIVIDEND

The board of the directors does not recommend the payment of an interim dividend for the six months ended 30 June 2024 and 2023.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit for the period attributable to owners of the Company ( <i>HK\$ million</i> )	8.1	28.1
Weighted average number of ordinary shares in issue ( <i>Million</i> )	3,975	3,975
Basic and diluted earnings per share ( <i>HK cents per share</i> )	0.20	0.71

No diluted earnings per share for the six months ended 30 June 2024 and 2023 were presented as there were no potential ordinary shares in issue.

## 10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Machinery	Furniture and fixtures	Computer equipment	Motor vehicles	Buildings under construction	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Six months ended 30 June 2024</b>							
At 1 January 2024, net of accumulated depreciation (Audited)	487	47	280	31	113	184,304	185,262
Depreciation	-	-	(29)	(8)	-	-	(37)
Exchange realignment	(11)	(1)	(7)	(1)	(3)	(4,405)	(4,428)
At 30 June 2024, net of accumulated depreciation (Unaudited)	476	46	244	22	110	179,899	180,797

At 30 June 2024, the Group's buildings under construction, included prepaid land lease payments on lease of land in the PRC, with the remaining lease term of 23 years (31 December 2023: 24 years).

## 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

	Office premises HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2024</b>			
At 1 January 2024, net of accumulated depreciation (Audited)	102	–	102
Additions	2,451	–	2,451
Depreciation	(851)	–	(851)
Exchange realignment	(17)	–	(17)
At 30 June 2024, net of accumulated depreciation (Unaudited)	1,685	–	1,685

	Office premises HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>At 30 June 2024</b>			
Cost	13,030	808	13,838
Accumulated depreciation	(11,345)	(808)	(12,153)
Net carrying amount (Unaudited)	1,685	–	1,685

The Group leases various office premises and motor vehicles for its daily operations. The lease terms range from 1 year to 2 years.

### Lease liabilities

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Lease liabilities</b>		
Current	1,699	105

## 12. INVESTMENT PROPERTIES

	Completed investment properties at fair value HK\$'000	Investment properties under construction at cost HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2024</b>			
Carrying amount at 1 January 2024 (Audited)	209,483	14,706	224,189
Exchange realignment	(5,006)	(352)	5,358
Carrying amount at 30 June 2024 (Unaudited)	204,477	14,354	218,831

Notes:

- The investment properties represent interests in land held under medium term leases in the PRC and buildings erected or being erected thereon.
- The directors of the Company have determined that the completed investment properties are held to earn rental income and/or for capital appreciation and are measured using the fair value model. The Group's completed investment properties were valued at 30 June 2024 and 31 December 2023 by Roma Appraisals Limited, an independent professionally qualified valuer, using the same valuation techniques as those being applied when carrying out the valuation at 31 December 2023.
- Investment properties under construction are measured at cost until such time as fair value can be determined reliably or construction is completed. The Group has concluded that the fair value of these investment properties under construction cannot be measured reliably and were therefore measured at cost in the interim condensed consolidated statement of financial position.

## 13. PROPERTIES UNDER DEVELOPMENT

	Properties under development at cost HK\$'000
<b>Six months ended 30 June 2024</b>	
Carrying amount at 1 January 2024 (Audited)	591,925
Additions	632
Exchange realignment	(14,148)
Carrying amount at 30 June 2024 (Unaudited)	578,409

The properties under development are all located in the PRC and held under medium term leases.

## 14. TRADE RECEIVABLES

Trade receivables mainly represent sale proceeds in respect of sold properties and property management fee receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of sale and purchase agreements. Rental in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by the management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured. The carrying amounts of the trade receivables approximate to their fair values.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Within 30 days	135	38
31 to 60 days	52	60
61 to 90 days	78	90
Over 90 days	1,182	861
	<b>1,447</b>	1,049

The amount of trade receivables that were past due but not impaired is the same as the above ageing analysis of trade receivables.

Receivables that were past due but not impaired relate to a number of diversified customers. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9. To measure ECL, trade receivables have been grouped based on shared credit risk characteristics which is the days past due. Expected loss rate of the overall trade receivables is assessed to be 0.1%. Based on evaluation on expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered immaterial and therefore there has not been a provision of loss allowance.

## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Prepayments	28,972	24,319
Deposits paid	186	184
Other receivables	16,841	14,830
	<b>45,999</b>	39,333
Less: Loss allowance for other receivables	(1,361)	(1,395)
	<b>44,638</b>	37,938

## 16. TRADE PAYABLES

An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Within 30 days	834	723
31 to 60 days	154	118
61 to 90 days	880	323
Over 90 days	42,268	44,193
	<b>44,136</b>	45,357

## 17. PROMISSORY NOTE

The promissory note is unsecured, interest-bearing at 5% per annum and repayable on 30 June 2025.



## 18. SHARE CAPITAL

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
<b>Issued and fully paid:</b>		
3,975,233,406 (31 December 2023: 3,975,233,406) ordinary shares	<b>983,266</b>	983,266

## 19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Contracted, but not provided for:		
Construction and development of properties	<b>241,946</b>	256,574
Loan contributions payable to an associate	<b>204,370</b>	209,374
	<b>446,316</b>	465,948

## 20. CONTINGENT LIABILITIES

At 30 June 2024, the Group has contingent liabilities of approximately HK\$190,783,000 (31 December 2023: approximately HK\$168,368,000) of which the Group has given guarantees of approximately HK\$190,783,000 (31 December 2023: approximately HK\$168,368,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

In the opinion of the directors of the Company, the fair value of the guarantees is not significant and in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore the guarantees have not been recognised in the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 and 2023.

## 21. RELATED PARTY TRANSACTIONS

### (a) Amounts due to related companies

The amounts due to related companies are unsecured, non-interest bearing and repayable on demand. Related companies represent companies in which Mr. Huang Shih Tsai, a substantial shareholder of the Company, has equity interests and/or directorships and over which Mr. Huang Shih Tsai is able to exercise control. The amounts represent advances to the Group for its working capital requirements.

### (b) Amounts due to substantial shareholders

At the end of the reporting period, balance amounting to approximately HK\$3,000,000 (31 December 2023: approximately HK\$3,000,000) is unsecured, interest-bearing at 5% per annum (31 December 2023: 5%) and repayable on demand. The remaining balances are unsecured, non-interest bearing and repayable on demand. The amounts represent advances to the Group for its working capital requirements.

### (c) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries, allowances and benefit in kind	858	659
Pension scheme contributions	9	9
Total compensation paid/payable to key management personnel	867	668

### (d) Property lease agreements

The Group leased office premises from 大中華國際集團(中國)有限公司 (“GCI”) since 1 May 2019 and the leases ended on 31 August 2023. GCI provided a rent-free period to the Group from 1 September 2023 to 29 February 2024. GCI is indirectly wholly-owned by Mr. Huang Shih Tsai, the Chairman and a substantial shareholder of the Company. Mr. Huang Shih Tsai is also a director of GCI. On 1 March 2024, the Group and GCI entered into lease agreements where the lease terms are from 1 March 2024 to 31 March 2025, with an aggregate monthly rental of approximately Renminbi (“RMB”)165,000 (equivalent to approximately HK\$178,000). The lease arrangement constitutes connected transactions as defined in Chapter 14A of the Listing Rules. During the six months ended 30 June 2024, approximately HK\$714,000 rental was paid to GCI (six months ended 30 June 2023: approximately HK\$1,129,000).

## 22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### (a) *Financial risk management*

The risks associated with the Group's financial instruments include foreign currency risk, credit risk and liquidity risk. The unaudited interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. There have been no significant changes in risk management process and policies since 1 January 2024.

### (b) *Fair value hierarchy*

The fair value of financial assets and financial liabilities are measured at the end of the accounting period on a recurring basis, categorised into the three-level fair value hierarchy as follows:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The directors of the Company determined that the fair value of the financial assets and liabilities reported in the unaudited interim condensed consolidated statement of financial position approximate to their carrying amounts.

## 23. APPROVAL OF UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 were approved and authorised for issue by the board of directors on 26 August 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

For the six months ended 30 June 2024, the Group recorded a turnover of approximately HK\$5.18 million, representing a decrease of approximately 72% as compared to the turnover of approximately HK\$18.73 million for the corresponding period of last year. The decrease in turnover was mainly resulted from the decrease in areas delivered in the sales of properties and rental income during the period.

Profit attributable to the owners of the Company was approximately HK\$8.12 million for the six months ended 30 June 2024 compared to the profit attributable to the owners of the Company of approximately HK\$28.06 million for the corresponding period of last year. This was mainly attributable to the decrease in exchange gain arising from the translation of the Group's financial liabilities and the decrease in turnover as mentioned above during the period.

### BUSINESS REVIEW

#### Property Development and Investment Business

##### *The Gold Coast Project*

The Company, through its indirect wholly-owned PRC subsidiary, owns a resort located in Baian Peninsula, Houmen Town, Haifeng County, Shanwei City, Guangdong Province, the PRC (the "Gold Coast Resort"). Development of the Gold Coast Project will be divided into two phases with an aggregated gross floor area of approximately 430,000 sq.m. The first phase of the project comprises high block residential buildings with car parks while the second phase of the project comprise high block residential buildings, villas and serviced apartments etc.

At the date of this report, pre-sale permit for phase 1 properties has been obtained. The Company has set up a sales center and show room for phase 1 which will be opened soon.

The construction plan for phase 2 is currently being vetted by the relevant bureau of Shenzhen Shanwei Special Cooperation Zone. Construction of phase 2 will be commenced once the plan is being approved.

##### *The Tanghai County Project*

The Group has acquired 99.99% of equity interest of 唐山市曹妃甸區中泰信和房地產開發有限公司 (Tangshan Caofeidian Zhongtai Xinhe Real Estate Company Limited\*) ("Tangshan Caofeidian") ("Tanghai Acquisition") in January 2013, the major asset of which consists of the right of use of 唐海縣七農場通港水庫內側2號及3號島 (Nos. 2 and 3 Island inside Tonggang Reservoir of the Seventh Farm in Tanghai Province\*).

\* for identification purpose only

The Group has paid a total sum of approximately RMB92,490,000 as consideration of the Tanghai Acquisition. The vendors of Tangshan Caofeidian are subject to pay the PRC individual income tax derived from the transfer of the equity interest of Tangshan Caofeidian. At the date of completion of the Tanghai Acquisition, such PRC individual income tax had not been settled. It was agreed by the vendors that they will not require the Company to pay the remaining portion of the consideration of RMB12,000,000 until the outstanding PRC individual income tax is settled by them.

The Group has appointed several external firms to conduct reconnaissance and began designing work. At the date of this report, the piling of the town house and the construction of the clubhouse in phase, and the basic construction of villas of phase 2 was completed. It was noted that the local government of the Tanghai Country Project has granted the area where the Tanghai Country Project locates as a natural reserve area thus the Company's original planning of the project may need to be modified in accordance with the local government's guideline. The Company is actively discussing with the local government regarding the overall planning of the project.

### *The Daya Bay Project*

The Company, through its indirect wholly-owned PRC subsidiary, owns 東方新天地大廈 (Eastern New World Square\*), which is a comprehensive property development project comprised residential units, commercial outlets and carparks, with a total gross floor area of approximately 69,171.7 sq.m. located at No.1 Zhongxing Zhong Road, Aotou Town, Daya Bay, Huizhou City, Guangdong Province, the PRC. During the six months ended 30 June 2024, rental income of approximately HK\$0.79 million (six months ended 30 June 2023: approximately HK\$1.48 million) from commercial outlets and carparks of Eastern New World Square was recognised as revenue.

### *The Shanwei Projects*

On 16 October 2013, the Group completed the acquisition of Jin Bao Cheng Project and Hong Hai Bay Project through a wholly-owned subsidiary of the Company from Mr. Huang Shih Tsai, the chairman and executive director of the Company. The details of Jin Bao Cheng Project and Hong Hai Bay Project are set out as below:

#### (1) Jin Bao Cheng Project

Jin Bao Cheng Project contains two parcels of land located on 中國廣東省汕尾市區汕尾大道 (Shanwei Main Road, Shanwei City, Guangdong Province, the PRC\*), with a total site area of approximately 50,656 sq.m. and three 12-storey close to completion residential blocks erected thereon, among which, (a) one parcel of land is located at the vicinity of 汕尾大道香洲頭地段西側與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Xiangzhoutou Section and Honghai Main Road\*), and (b) one parcel of land is located at the vicinity of 汕尾大道荷包嶺段西側實力汽車修配廠後面與紅海大道交界口 (the junction of the western side of Shanwei Main Road, Hebaoling Section, behind the Shili Car Repair Factory and Honghai Main Road\*).

\* for identification purpose only

Jin Bao Cheng Project is a residential and commercial complex. Sales and pre-sales of phase 1, phase 2 and phase 3 of the residential portion of Jin Bao Cheng Project was commenced. At 30 June 2024, approximately HK\$146.60 million was received from pre-sales of Jin Bao Cheng Project as contract liabilities (31 December 2023: approximately HK\$113.55 million).

## (2) Hong Hai Bay Project

Hong Hai Bay Project contains four parcels of land located at the vicinity of the junction of No. S241 Province Road and No. X141 County Road Shanwei City, Guangdong Province, the PRC with a total site area of approximately 273,534.2 sq.m., among which, (a) one parcel of land is located on 遮浪南澳旅遊區「湖仔山」東側(the east of Wuzishan, Zhelang Nanao Tourist Area\*), (b) one parcel of land is located on 遮浪街道宮前南澳路東(Gongqian Nanao Road East, Zhelangjiedao\*); and (c) two parcels of land are located on 遮浪街道南澳旅遊區灣灘坑 (Wantankeng, Zhelangjiedao Nanao Tourist Area\*). It is the Board's current intention to develop Hong Hai Bay Project into a tourist and entertainment complex with residential development with a total gross floor area of approximately 720,000 sq.m..

In 2020, 中建二局第三建築工程有限公司(the "Contractor"), a contractor of the Hong Hai Bay Project, had filed a civil suit to Shanwei Intermediate People's Court (汕尾市中級人民法院) (the "Court") against the Group for terminating the construction agreements entered with the Group and claim for a total amount of approximately RMB48.5 million, comprising the alleged incurred construction cost and the related interest of approximately RMB15.8 million, the potential profit of the remaining work under the construction agreement of approximately RMB12.7 million and the idle time cost of approximately RMB20.0 million. One of the land parcels of Hong Hai Bay Project was seized by the Court. With reference to a legal opinion from the PRC lawyer, the Group may be liable for paying the outstanding construction cost that actually incurred which shall be determined by the Court in accordance with evidence submitted by both parties but not the amount claimed by the Constructor which has no reasonable ground. Also, Shanwei GCI is still entitled to the ownership of the seized land. Notwithstanding the above, with best and conservative estimation by the management, the Company provided in profit or loss of approximately RMB14.0 million (equivalent to approximately HK\$15.8 million) claimed by the Constructor for the alleged outstanding construction cost during the year ended 31 December 2020. During the year ended 31 December 2023, the Intermediate Court issued a final judgement in relation to the civil case which require the Group to pay the Constructor for a total of approximately RMB18.5 million (equivalent to approximately HK\$20.3 million). Subsequently, the Group had lodged an appeal against the judgement to the High People's Court of Guangdong Province (the "High Court") and it was accepted by the High Court. As at the date of this report, the case is pending for the hearing of the second instance.

\* for identification purpose only

## *The Heqing Project*

On 16 December 2013, the Company and its wholly owned subsidiary, Great China Properties (Shanghai) Limited, entered into a cooperation agreement with Greenland Hong Kong Holdings Limited (“Greenland HK”) and its subsidiaries, pursuant to which the parties to the cooperation agreement conditionally agree to jointly develop the two parcels of land located in Shanghai, the PRC (the “Land”), among which one parcel of land with boundaries East to land with Lot No. 13-02, West to Qingli Road, South to land with Lot No.13-02, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC\* (上海浦東新區合慶鎮·四至範圍東至13-02地塊·西至上海市慶利路·南至13-02地塊·北至上海市環慶南路); and (b) one parcel of land with boundaries East to land with Lot No. 14-03, West to Lingyang Road, South to land with Lot No. 14-03, North to South Huanqing Road, Heqing Town, Pudong New Area, Shanghai, the PRC\* (上海浦東新區合慶鎮·四至範圍東至14-03地塊·西至上海市凌揚路·南至14-03地塊·北至上海市環慶南路). The Land is used for commercial and office purposes.

On 10 January 2014, all the conditions precedent under the cooperation agreement had been satisfied and completion took place on the same date. Upon completion, each of the Company and Greenland HK holds a 50% stake in the project. The investment has been accounted for as interest in an associate using the equity method from the date of completion and loan receivable from an associate. Details please refer to the announcement of the Company dated 16 December 2013 and the circular of the Company dated 30 January 2014. Development of the Heqing Project were completed.

## **BUSINESS OUTLOOK**

The pandemic has resulted in an extremely complicated external environment with lots of uncertainties in recent years. It has put forward higher requirements for the Company in terms of its future strategy planning. Despite the challenges, the Group’s business and future strategy will continue to be focusing on mid-end and high-end commercial and tourism property development and investment. The Group will regularly review and adjust its development and sales schedule in accordance with the market conditions and the overall environment. Riding on its solid foundation, the Group remains on the lookout for high quality and cost effective investment opportunities to enhance investment returns, as well as gradually diversify its income source.

## **LIQUIDITY AND FINANCIAL RESOURCES**

At 30 June 2024, bank balances and cash of the Group amounted to approximately HK\$46.32 million (31 December 2023: approximately HK\$46.47 million). The Group’s total current assets at 30 June 2024 amounted to approximately HK\$901.46 million (31 December 2023: approximately HK\$890.25 million), which comprised properties held for sale, trade receivables, prepayments, deposits and other receivables and cash and bank balances. The Group’s total current liabilities at 30 June 2024 amounted to approximately HK\$1,233.36 million (31 December 2023: approximately HK\$1,215.94 million), which comprised trade payables, other payables and accruals, lease liabilities, promissory note, amounts due to related companies, amounts due to substantial shareholders and tax payable. At 30 June 2024, the Group’s gearing ratio, defined as interest-bearing liabilities divided by total equity, was approximately 2.7% (31 December 2023: approximately 3.0%).

\* for identification purpose only

## CAPITAL COMMITMENT

At 30 June 2024, the Group had a total capital commitment of approximately HK\$446.32 million (31 December 2023: approximately HK\$465.95 million), contracted for but not provided in the unaudited interim condensed consolidated financial statements, which comprised (i) approximately HK\$241.95 million (31 December 2023: approximately HK\$256.57 million) in respect of the construction and development of properties and (ii) approximately HK\$204.37 million (31 December 2023: approximately HK\$209.37 million) in respect of the loan contributions payable to an associate.

## CONTINGENT LIABILITIES

At 30 June 2024, the Group has provided guarantees to financial institutions amounting to approximately HK\$190.78 million (31 December 2023: approximately HK\$168.37 million) in respect of the mortgage facilities for certain properties to the purchasers of the Group. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchasers to financial institutions. The Group is then entitled to take over the legal title of the related properties. Such guarantees will be released by financial institutions upon delivery of the properties to the purchasers and completion of the relevant mortgage properties registration.

The fair value of the guarantees is not significant and the directors of the Company consider that, in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore the guarantees have not been recognised in the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 and 2023.

## CHARGES ON ASSETS

At 30 June 2024, the Group did not charge any of its assets (31 December 2023: Nil).

## EMPLOYEES

At 30 June 2024, the Group employed 76 employees (excluding directors) (31 December 2023: 62 employees) and the related staff costs amounted to approximately HK\$8.69 million for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately HK\$7.54 million). Staff remuneration packages, which are reviewed annually, include salary/wage and other benefits, such as medical insurance coverage, provident fund and share options.



## DISCLOSURE OF INTERESTS

### (a) Director's Interest and Short Positions in the securities of the Company and its associated corporations

At 30 June 2024, the interests and short positions of the directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) (i) which were required to be 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 they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

#### *Long positions in the shares and underlying shares of the Company*

Name of Directors	Capacity in which interests are held	Number of shares/underlying shares interested			Approximate percentage of the issued share capital of the Company (Note 1)
		Personal interests	Corporate interests	Total	
Mr. Huang Shih Tsai (Note 2)	Beneficial owner	1,848,162,476	-	1,848,162,476	46.49%
Ms. Huang Wenxi (Note 3)	Beneficial owner	353,667,996	282,133,413	635,801,409	15.99%
Mr. Li Zhizhen (Note 4)	Beneficial owner and interest of spouse	49,448,730	-	49,448,730	1.24%

#### *Notes:*

- The percentage shareholding in the Company is calculated on the basis of 3,975,233,406 Shares in issue at 30 June 2024.
- The interest disclosed represents Mr. Huang's personal interest in 1,848,162,476 shares.
- The interest disclosed represents (i) Ms. Huang's personal interest in 353,667,996 shares; and (ii) 282,133,413 shares held by Brilliant China Group Limited which is 100% owned by Ms. Huang.
- The interest disclosed represents (i) Mr. Li's direct interests of 29,095,000 shares; and (ii) deemed interests of 20,353,730 shares through interest of his spouse.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be 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 they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At 30 June 2024, so far as is known to any Director or chief executive of the Company, the following person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### *Long positions in the shares of the Company*

Name of Shareholders	Type of interests	Total number of shares held	Approximate percentage holding of total issued shares
Brilliant China Group Limited	Corporate ( <i>Note 2</i> )	282,133,413	7.10%

#### *Notes:*

- The percentage shareholding in the Company is calculated on the basis of 3,975,233,406 Shares in issue at 30 June 2024.
- Brilliant China Group Limited (“Brilliant China”) is a company 100% owned by Ms. Huang Wenxi. By virtue of the SFO, Ms. Huang is deemed to be interested in 282,133,413 Shares held by Brilliant China. Ms. Huang is the sole director of Brilliant China.

Save as disclosed above, at 30 June 2024, the Company has not been notified of any other person (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

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

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

## CORPORATE GOVERNANCE

The Company has adopted and complied generally with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of listed issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, they confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

## AUDIT COMMITTEE

Pursuant to the requirements of the Corporate Governance Code and the Listing Rules, the Company has established an audit committee (the "Audit Committee") comprising all three Independent Non-executive Directors, namely Mr. Cheng Hong Kei (Chairman of the Audit Committee), Mr. Leung Kwan, Hermann and Mr. Wang Hongxin Charles. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2024.

By order of the board of directors  
**Great China Holdings (Hong Kong) Limited**  
**Huang Shih Tsai**  
*Chairman*

Hong Kong, 26 August 2024

At the date of this report, the directors of the Company are as follows:

Executive Directors	Mr. Huang Shih Tsai ( <i>Chairman</i> ) Ms. Huang Wenxi ( <i>Chief Executive Officer</i> )
Non-executive Director	Mr. Li Zhizhen
Independent Non-executive Directors	Mr. Cheng Hong Kei Mr. Leung Kwan, Hermann Mr. Wang Hongxin Charles