



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

Stock Code : 184



INTERIM REPORT 2022 INTERIM REPORT 2022

CORPORATE INFORMATION

DIRECTORS

- HO Kim Swee@ HO Kian Guan
 – *Executive Chairman*
 HO Cheng Chong@ HO Kian Hock
 – *Deputy Executive Chairman*
 TSE See Fan Paul
 CHAN Lui Ming Ivan
 YU Yuet Chu Evelyn
 HO Chung Tao
 HO Chung Hui
 * HO Eng Chong@ HO Kian Cheong
 ** KWOK Chi Shun Arthur
 ** WANG Poey Foon Angela
 ** YU Hon To David
 ** Stephen TAN
 HO Chung Kain@ HE Chongjing
 (Alternate to HO Chung Hui)
 * HO Chung Kiat Sydney@ HE Chongjie Sydney
 (Alternate to HO Kian Cheong)
 * *Non-executive Director*
 ** *Independent Non-executive Director*

AUDIT AND COMPLIANCE COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

AUDITORS

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

SHARE REGISTRARS & TRANSFER OFFICE

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

COMPANY SECRETARY

- CHENG Ka Kit

REGISTERED OFFICE

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

COMPANY'S WEBSITE

- www.keckseng.com.hk

INTERIM RESULTS

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022.

The consolidated profit attributable to equity shareholders of the Company for the six months ended 30 June 2022 was HK\$6,947,000 (HK\$0.02 earnings per share), compared to loss attributable to equity shareholders of the Company of HK\$104,400,000 (HK\$0.307 loss per share) for the first six months of 2021.

The Board does not recommend the payment of interim dividend for 2022 (2021: Nil).

REVIEW OF OPERATIONS

The COVID-19 pandemic (the “pandemic”) that has spread globally since early 2020 continued to have adverse impact on our business in the first half of 2022 (the “period”), and in particular on our hotel operations. Though overall economic activity has revived to a certain extent resulting in improvements in our hotel business during the period, the pandemic remained worrisome. In Asia in the markets where the group operates, there still exists significant border control measures, periodic and partial lockdowns, as well as social distancing restrictions. In North America, domestic and international travels have yet to be restored to pre-pandemic levels.

A summary and analysis of the operations are as follows.

Property Leasing and Management Operations

Macau

Macau was continuously suffering from the adverse effects of the pandemic as various travel, entry, and social distancing restrictions remained in place in Macau, Hong Kong, mainland China and elsewhere. In addition, numerous pandemic cases were reported locally in June 2022. Additional safeguard measures were therefore imposed, including temporary suspension of all non-urgent public services and business activities, closure of entertainment, leisure, and dine-in venues, etc. Coupled with the lengthy quarantine requirements in Macau, tourism arrivals and business activities in Macau were significantly and negatively curtailed in the first half of 2022.

According to the Macau Government Statistics and Census Service, Macau's GDP contracted by 8.9% year-on-year in the first quarter of 2022 as a result of diminished contribution from gaming sector as well as weakening of overall demand. Average unemployment rate in second quarter of 2022 stood at 3.7%, as compared to 2.9% in second quarter of 2021. Total visitor arrivals also decreased by 11.8% year-on-year in the first half of 2022.

Despite the lingering economic effects of the pandemic and the challenging business environment, there have been no seriously negative consequences for the Macau property market from the pandemic. Hence our Macau property leasing and property management operation have remained largely stable. During the first half of 2022, rental revenue of the Group from Macau operations decreased slightly to HK\$41.4 million, as compared to HK\$43.5 million in the first half of 2021. The decrease was mainly driven by lower occupancy rate and negative rental reversion of residential units. Occupancy of our residential units decreased to 74% in the first half of 2022 as compared to 79% in the first half of 2021, due to the drop in demand amongst expatriates for lease of residential properties and serviced apartments, both of which were prone to the impact of citywide lockdown and travel restrictions. Our office buildings were fully occupied in the first half of 2022, as compared to 93% occupancy in the first half of 2021.

A modest net increase in fair value of our investment properties of HK\$3.9 million (2021: HK\$4.4 million) was recorded in the first half of 2022. Our investment properties are held on a long-term basis to earn recurring rental income.

In line with our sales strategy, there were no sales of properties during the first half of 2022.

We expect that the pandemic will continue to impact Macau in the second half of 2022 as certain travel and entry restrictions between Macau, Hong Kong and mainland China remain in place, and border controls for foreigners travelling to Macau remain strict. Although Macau's COVID-19 infection numbers still stay remarkably low, the Macau property market is likely to be on a sound growth path only after travel restrictions are fully lifted, enabling a critical mass of commercial activities and the return of potential buyers from mainland China or Hong Kong.

After reviewing Macau property market conditions and the state of the economy, the Group has decided to continue deferring sale of the properties currently classified under properties held for sale to a later time in order to fully capture the benefits to be accrued with the opening of the Hong Kong-Zhuhai-Macau Bridge, Qingmao and Hengqin immigration ports, the expansion of the Macau Airport, the development of extension of Macau Light Rapid Transit to Hengqin Island, as well as other benefits accruing from the further integration of the Guangdong Greater Bay Area.

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

Hotel Operations

	Occupancy		Average Room Rate	
	2022	2021	2022	2021
The People's Republic of China				
Holiday Inn Wuhan Riverside	50%	45%	USD285	USD414
Vietnam				
Sheraton Saigon Hotel and Towers	41%	16%	USD125	USD107
Caravelle Hotel	38%	7%	USD104	USD125
Japan				
Best Western Hotel Fino Osaka Shinsaibashi	24%	7%	JPY5,591	JPY6,055
The United States				
W San Francisco	68%	27%	USD303	USD172
Sofitel New York ^	50%	N.A.	USD340	N.A.
Canada				
The Sheraton Ottawa Hotel	42%	7%	CAD188	CAD126
Delta Hotels by Marriott Toronto Airport & Conference Centre	53%	14%	CAD137	CAD87

^ Sofitel New York suspended its operation since end of Mar 2020 and reopened in Nov 2021.

The pandemic has caused significant disruption in global hospitality industry in the past two years. We saw some positive momentum in the first half of 2022 and the difference in hotel performance is notable between those countries where government restrictions have eased and others where restrictions are still largely in place. There is a surge in recovery in the US, Canada and Vietnam towards the end of the reporting period but the markets of Japan and China still suffered from pandemic travel restrictions in the first half of 2022. Although our hotel performances were gradually improving as compared to the very challenging situation in the same period in 2021, occupancy rates and room rates of most of our hotels still remained depressed compared to pre-pandemic periods.

During the first half of 2022, total revenue for the hotel operations increased to HK\$537.9 million, an increase of 193% as compared to HK\$183.7 million in the first half of 2021. Profit for the hotel operations for the six months ended 30 June 2022 was HK\$1.97 million as compared to the loss of HK\$102.4 million for the first six months of 2021.

The People's Republic of China

There have been multiple outbreaks of the COVID variant in China through most of the second quarter of 2022, spreading to certain major cities including Guangzhou, Beijing, Shanghai and Wuhan. Coupled with China's dynamic zero-COVID policy, China has implemented a series of precautionary measures such as city or district-level lockdown measures, travel restrictions, quarantine orders and regular city-wide testing, which aimed to bring infection and death rates under control, but had also resulted in a further reduction of social and business activities in China. The hospitality sector is one of the sectors most vulnerable to measures taken to contain the spread of the pandemic. In particular, inter-province travel and internationals were severely impacted, with extremely negative consequences for the hotel industry.

Reflecting the disruption to China's economic growth, the world's second largest economy has, according to National Bureau of Statistics of China, saw a sharp slowdown in the first half of 2022, with the GDP rising only 2.5% year-on-year, down from the 12.7% growth rate recorded in 2021.

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

Holiday Inn Wuhan Riverside had an extremely challenging first half of 2022. The curtailment of international and domestic travel through restrictions, alerts, imposition of social distancing measures, and multiple rounds of city-wide testing have caused disruptions to the hotel during the typically heavy-travel periods in the first half of 2022, including the Lunar New Year holidays, Ching Ming Festival, Labour Day holidays, and other festive travel seasons.

Room revenue of the hotel decreased to RMB7.9 million as compared to RMB10.3 million in the first half of 2021, a reduction of 23%. The food and beverage revenue of the hotel has also decreased to RMB2.5 million in the first half of 2022 from RMB5.6 million in the first half of 2021, a decrease of 55%.

During the first half of 2022, average occupancy rate was 50.1%, as compared to 44.9% during the first half of 2021. Average room rate has dropped to RMB285 per room night during the first half of 2022, as compared to RMB414 per room night during the first half of 2021.

Vietnam

Vietnam has shown signs of continuing recovery in the first half of 2022, particularly in the tourism sector. A high nationwide vaccine rollout has kept severe cases and fatalities at low levels, allowing the government to lift social distancing restrictions and further re-open borders, and international flights in order to facilitate the resumption of economic activities, trade, and production. Vietnam, which heavily relies on the tourism industry, progressively dropped the COVID-19 vaccine certificate, quarantine, pre-flight and COVID-19 testing on-arrival requirements in the second quarter of 2022.

Driven by the relaxation of the above anti-pandemic measures and an increase of consumption, Vietnam reported gross domestic product growth of 6.42% in the first half of 2022, which was higher than 5.74% in the same period last year. International arrivals to Vietnam also jumped by 582% year-on-year in the first half of 2022.

However, the path to Vietnam economic recovery remains uncertain under the shadow of disruption to supply chains, surging inflation and rising interest rates.

During the first six months of 2022, the Group's revenue from Vietnam increased to HK\$238.4 million, as compared to HK\$129.1 million in the first half of 2021, an increase of 85%.

For the second year in a row, both Sheraton Saigon Hotel and Towers and Caravelle Hotel were awarded the Travelers' Choice Winner by TripAdvisor in 2022.

Sheraton Saigon Hotel and Towers (Group's interest: 64.12%)

For the first half of 2022, occupancy rate has increased to 41.2%, as compared to 15.7% for the first half of 2021. Average room rate was at US\$124.5 per room night during the first half of 2022, as compared to US\$106.7 per room night during the first six months of 2021.

Caravelle Hotel (Group's interest: 24.99%)

For the first half of 2022, occupancy rate has increased to 37.8%, as compared to 6.8% for the first half of 2021. Average room rate was at US\$103.8 per room night during the first half of 2022, as compared to US\$125.0 per room night during the first six months of 2021.

Japan

Japan's economy experienced a slow start in early 2022. The hospitality industry continued to be negatively impacted by the "State of Emergency" restrictions, which were imposed across various cities in Japan in the first quarter of 2022. Aiming to boosted economic activity and domestic consumptions, the Japan Government lifted these restrictions towards the end of the first quarter of 2022 and, at the same time, started to relax the border controls measures for foreigners travelling to Japan, which resulted in a gradual recovery of the economy in the second quarter of 2022. However, a recent spike in COVID-19 cases attributed to the highly transmissible BA. 5 Omicron subvariant, rising inflation, and weakening global growth are expected to generate headwinds affecting the recovery momentum in the second half of the year.

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

Osaka continued to be the prefecture with the second highest number of coronavirus infections in Japan. The city has gradually recovered in the second quarter of 2022, but overall was still experiencing an extensive shortfall in travellers and visitors this year resulting from the various border restrictions and social distancing measures. For the first half of 2022, occupancy rate for the hotel has increased to 24.4%, as compared to 7.1% for the first half of 2021. Average room rate was at JPY5,591 per room night during the first half of 2022, as compared to JPY6,055 per room night for the first half of 2021.

The United States ("US")

The US economy recorded two consecutive quarters of negative GDP growth in the first half of 2022. The drop came from a broad swath of factors, including decrease in inventories, residential and non-residential investment, and government spending. However, unemployment rate fell from 3.9% in December 2021 to 3.6% in June 2022, matching the pre-pandemic level seen in January 2020.

Both W San Francisco and Sofitel New York experienced a significant rebound in the second quarter of 2022. However, both occupancy and rates per room are generally still down from pre-pandemic levels. The key reasons are a lack of revival of business travel as hotels in San Francisco and New York rely mostly on such travellers, convention attendees and international guests, all of which are still exhibited signs of continuing weakness. It is also not possible to predict whether high inflation and labour cost, and talent shortage issues in the hospitality industry will affect our business for a longer period. Despite these concerns, our outlook for the second half of 2022 is relatively positive.

For the second consecutive year, W San Francisco was awarded the Travelers' Choice Winner by TripAdvisor in 2022.

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

For the first half of 2022, occupancy rate was 67.5%, as compared to 26.6% for the first half of 2021. Average room rate was at US\$303.2 per room night during the first half of 2022, as compared to US\$171.8 per room night during the first half of 2021.

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

Sofitel New York re-opened in November 2021, after a prolonged closure since March 2020.

For the first half of 2022, Sofitel New York's occupancy rate was 49.7% and average room rate was at US\$340.3 per room night during the first half of 2022.

Canada

In Canada, the pandemic appears to be largely under control, and Canada is trying to move beyond the pandemic by progressively lifting domestic and international inbound travel restrictions, social distancing measures, and restrictions on commercial activities, in order to increase consumer demand and economic activities in 2022. We have seen a surge in recovery of Delta Hotels by Marriott Toronto Airport & Conference Centre towards the end of the reporting period, with rates reaching pre-pandemic level. Sheraton Ottawa Hotel is also seeing a reasonable recovery in the first half of 2022. However, hospitality sector in Canada is expected to still face the adverse impact of the highly transmissible Omicron BA.5 subvariant in the second half of the year.

Canada's GDP grew at an annualized rate of 3.1%, slowing from 6.6% in the fourth quarter of 2021. The first quarter growth was dragged down by lower export volumes; but domestic demand was buoyant and household spending has increased. Unemployment rate fell to 4.9% in June 2022 from 6% in December 2021.

Looking ahead, it is expected that the Canadian economy will continue to recover from the effects of the COVID-19 pandemic. However, the road of regaining this normality by transiting from pandemic recovery-driven growth to more normal growth will take time, and will not be smooth in the second half of 2022 under the shadow of surging inflation, rising interest rates and the recent outbreak of BA. 5 Omicron subvariant.

The Sheraton Ottawa Hotel (Group's interest: 85%)

For the first half of 2022, occupancy rate has increased to 41.5%, as compared to 6.5% for the first half of 2021. Average room rate was at C\$188.3 per room night during the first half of 2022, as compared to C\$125.6 per room night during the first six months of 2021.

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

For the first half of 2022, occupancy rate has increased to 52.7%, as compared to 14.4% for the first half of 2021. Average room rate was at C\$137.4 per room night during the first half of 2022, as compared to C\$86.6 per room night during the first six months of 2021.

Other net gains

Other net gains were at an amount of HK\$10.9 million, as compared to net losses of HK\$9.0 million in the first half of 2021. It was mainly attributable to net unrealised gains on other non-current financial assets which amounted to HK\$8.8 million for the first half of 2022, as compared to net unrealised losses of HK\$12.4 million for the first half of 2021.

FINANCIAL REVIEW

The Group's revenue was HK\$587.1 million for the first six months of 2022, an increase of 149% as compared to the corresponding period in 2021. The increase was primarily due to the rebound of the Group's hotel business.

The Group's operating gain was HK\$32.7 million for the period ended 30 June 2022, as compared to the operating loss of HK\$118.4 million for the corresponding period in 2021.

Profit attributable to equity shareholders was HK\$6.9 million for the period ended 30 June 2022 as compared to the losses attributable to equity shareholders of HK\$104.4 million in the first half of 2021. The increase in profit of the Group for the first half year of 2022 was mainly attributable to increase in hotel business.

LIQUIDITY AND FINANCIAL RESOURCES

The overall financial position of the Group remains healthy. We have a strong balance sheet and sufficient liquidity in place, with cash, bank balances and short-term bank deposits totalling HK\$1,240.9 million as at 30 June 2022 (as at 31 December 2021: HK\$1,176.0 million). The Group also has undrawn facility from the bank loans facility agreement amounting to HK\$85.0 million as at 30 June 2022 (as at 31 December 2021: HK\$85.0 million). The Group's gearing ratio (defined as the ratio of total outstanding bank loans to total assets) was 26.0% as at 30 June 2022, compared to 26.7% as at 31 December 2021.

PLEDGE OF ASSETS

As at 30 June 2022, hotel properties including land with an aggregate value of HK\$1,870.9 million (31 December 2021: HK\$1,894.0 million) were pledged to bank to secure bank loans borrowed by the Group.

CONTINGENT LIABILITIES

As at 30 June 2022, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favor of the Macau SAR Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2021: HK\$8,252,000).

As at 30 June 2022, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

PROSPECTS

Heading into the third year of the pandemic, the global economic recovery thus far has been encouraging, albeit challenges remain. The prolonged and widespread effects of COVID-19, including the recent outbreak of BA. 5 Omicron subvariant, have brought unprecedented challenges and uncertainties to the global economy. The recovery may also be dragged down by other economic uncertainties such as interest rate hikes, rising inflation pressure, fading of pent-up demand, and geopolitical tensions such as China-US relationship, and the Russia-Ukraine conflict, both of which have disrupted the global supply of energy, food and other commodities. According to the World Bank's Global Economic Prospects report in June 2022, global growth is projected to slow from an estimated 5.7% in 2021 to 2.9% in 2022.

Despite such a pessimistic backdrop, we are cautiously optimistic that the business and operating environments of the Group will remain positive and stable in the second half of 2022. We do not however expect a V-shaped recovery in the second half of the year.

The prolonged pandemic continued to have a negative impact on residential and serviced apartment leasing in Macau, and the outlook remains uncertain due to continuing pandemic-related restrictions that remain in place. Negative rental reversions affecting the residential portfolio's revenue might continue in the second half of 2022; but the real estate market in Macau should remain stable due to limited new supply, especially in the luxury sector. In addition, increasing integration with the Greater Bay Area will create tremendous growth potential for the local economy and real estate market in the long run. In the second half of 2022, we will continue to focus on building up occupancy and maximising retention rates by adopting competitive leasing strategies.

The outlook for international hospitality sector continue to be of concern in the absence of international travellers but the Group maintains a cautious optimistic view on our hospitality business. We expect to see continuing recovery in the US and Canada markets, whereas our Asian markets, especially those countries still with border control measures, lockdowns and social distancing restrictions, will experience a slower rebound. In addition, uncertainties in the pace of economic recovery, interest rate hike and the recent upsurge of COVID-19 variants will continue to pose challenges in the immediate future.

Looking ahead to the second half of 2022, the Group will continue to take conservative and responsible measures to preserve a healthy medium to long-term financial position in order to sustain operations. Robust measures will be taken to safeguard the physical well-being of hotel guests and employees. The Group's liquidity position has remained high, with cash, bank balances and short-term deposits totalling HK\$1.24 billion as at 30 June 2022. The Board believes that the Group has sufficient resources to satisfy its working capital requirements.

The Group will also continue to be cautious and will only focus on reviewing potential investments that creates long-term value for shareholders on a sustainable basis. We will also continue to adopt a disciplined and pragmatic approach towards possible acquisitions, targeting industries and countries or regions where the Group has experience and comparative advantages.

PERSONNEL AND RETIREMENT SCHEMES

As at 30 June 2022, the Group had approximately 1,492 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate. The Group has defined contribution schemes in Hong Kong, Macau, the People's Republic of China, Vietnam, the United States, Canada and Japan.

CORPORATE GOVERNANCE

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

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has complied with the principles set out in the CG Code during the period from 1 January to 30 June 2022, save and except for the deviations as explained below.

- Code Provision C.2.1, as the role of chairman and chief executive officer of the Company is not segregated.

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee presently comprises four Independent Non-executive Directors. The Audit and Compliance Committee meets with the Group's senior management and internal auditors regularly to review the effectiveness of the internal control system and the interim and annual reports, including the Group's unaudited consolidated financial statements for the six months ended 30 June 2022.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

The Nomination Committee comprises six members, four of whom are Independent Non-executive Directors. The Committee gives recommendations to the Board as to the recruitment of Directors. In compliance with Listing Rules, an Independent Non-executive Director currently chairs the Nomination Committee.

RISK MANAGEMENT COMMITTEE

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

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2022.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

Changes in Director's biographical details up to the date of this interim report, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Details of changes
Ms. YU Yuet Chu Evelyn	Ms. Yu has ceased to be a member of Remuneration Committee and remained as an Executive Director with effect from 28 April 2022.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

The Directors of the Company who held office as at 30 June 2022 had the following interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") at that date as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Number of ordinary shares (unless otherwise specified)

Long Positions:

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

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

Notes:

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

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

Save as mentioned above, as at 30 June 2022, none of the Directors of the Company or any of their associates had interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2022, the interests and short positions of those persons (other than the Directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions:

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

Notes:

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

Save as mentioned above, as at 30 June 2022, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

HO Kian Guan
Executive Chairman

Hong Kong, 30 August 2022

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

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 17 to 42 which comprises the consolidated statement of financial position of Keck Seng Investments (Hong Kong) Limited (the "Company") as of 30 June 2022 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

30 August 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the six months ended 30 June 2022 - unaudited*

	Note	Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
Revenue	3	587,109	235,866
Cost of sales		(55,087)	(30,235)
Other revenue	4(a)	532,022	205,631
Other net gains/(losses)	4(b)	11,906	6,562
Direct costs and operating expenses		10,887	(8,986)
Marketing and selling expenses		(245,440)	(87,680)
Depreciation		(11,561)	(3,271)
Administrative and other operating expenses		(79,761)	(78,459)
		(185,378)	(152,179)
Operating gain/(loss)		32,675	(118,382)
Increase in fair value of investment properties	8	3,900	5,800
Finance costs	5(a)	36,575	(112,582)
Share of profits/(losses) of associates		(15,800)	(16,599)
		5,843	(5,416)
Profit/(loss) before taxation	5	26,618	(134,597)
Income tax (expense)/credit	6	(525)	37,783
Profit/(loss) for the period		26,093	(96,814)
Attributable to:			
Equity shareholders of the Company		6,947	(104,400)
Non-controlling interests		19,146	7,586
Profit/(loss) for the period		26,093	(96,814)
Earnings/(loss) per share, basic and diluted (cents)	7	2.0	(30.7)

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

The notes on pages 23 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2022 - unaudited

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit/(loss) for the period	26,093	(96,814)
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	(101)	(672)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of: – financial statements of overseas subsidiaries and associates	(17,871)	2,482
Other comprehensive income for the period	(17,972)	1,810
Total comprehensive income for the period	8,121	(95,004)
Attributable to:		
Equity shareholders of the Company	(10,232)	(104,967)
Non-controlling interests	18,353	9,963
Total comprehensive income for the period	8,121	(95,004)

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

The notes on pages 23 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*at 30 June 2022 - unaudited*

	Note	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Non-current assets			
Investment properties	8	905,400	901,500
Property, plant and equipment		1,620,692	1,699,985
Land		814,825	820,312
		3,340,917	3,421,797
Interest in associates		89,475	84,645
Derivative financial assets		10,638	2,724
Other non-current financial assets	9	117,190	116,994
Deferred tax assets		397,122	376,979
		3,955,342	4,003,139
Current assets			
Trading securities		11,550	11,940
Properties held for sale		278,873	278,873
Inventories		4,329	4,080
Trade and other receivables	10	67,331	69,146
Deposits and cash	11	1,240,937	1,175,977
Taxation recoverable		24,145	35,869
		1,627,165	1,575,885
Current liabilities			
Bank loans	12	322,545	366,887
Trade and other payables	13	386,828	339,772
Loan from an associate		464	464
Loans from non-controlling shareholders	14	40,677	4,313
Taxation payable		20,492	8,841
		771,006	720,277

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**at 30 June 2022 - unaudited*

	Note	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Net current assets		856,159	855,608
Total assets less current liabilities		4,811,501	4,858,747
Non-current liabilities			
Bank loans	12	1,128,463	1,121,417
Deferred revenue		3,172	3,560
Loans from non-controlling shareholders	14	72,312	106,796
Deferred tax liabilities		90,755	90,287
		1,294,702	1,322,060
NET ASSETS		3,516,799	3,536,687
CAPITAL AND RESERVES	15		
Share capital		498,305	498,305
Reserves		2,385,495	2,409,335
Total equity attributable to equity shareholders of the Company		2,883,800	2,907,640
Non-controlling interests		632,999	629,047
TOTAL EQUITY		3,516,799	3,536,687

The notes on pages 23 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2022 – unaudited

	Attributable to equity shareholders of the Company							Total HK\$'000
	Share capital HK\$'000	Legal reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
Balance at 1 January 2022	498,305	19,511	11,991	3,071	2,374,762	2,907,640	629,047	3,536,687
Profit for the period	-	-	-	-	6,947	6,947	19,146	26,093
Other comprehensive income	-	-	(17,078)	(101)	-	(17,179)	(793)	(17,972)
Total comprehensive income for the period	-	-	(17,078)	(101)	6,947	(10,232)	18,353	8,121
Dividends approved in respect of the previous year (note 15(a)(ii))	-	-	-	-	(13,608)	(13,608)	-	(13,608)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(14,401)	(14,401)
Balance at 30 June 2022	498,305	19,511	(5,087)	2,970	2,368,101	2,883,800	632,999	3,516,799
Balance at 1 January 2021	498,305	19,417	10,663	3,508	2,569,580	3,101,473	633,796	3,735,269
(Loss)/profit for the period	-	-	-	-	(104,400)	(104,400)	7,586	(96,814)
Other comprehensive income	-	-	105	(672)	-	(567)	2,377	1,810
Total comprehensive income for the period	-	-	105	(672)	(104,400)	(104,967)	9,963	(95,004)
Transfer from retained profits to legal reserve	-	94	-	-	(94)	-	-	-
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(16,910)	(16,910)
Balance at 30 June 2021	498,305	19,511	10,768	2,836	2,465,086	2,996,506	626,849	3,623,355

The notes on pages 23 to 42 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*for the six months ended 30 June 2022 - unaudited*

	Note	Six months ended 30 June 2022 HK\$'000	2021 HK\$'000
Operating activities			
Cash generated from/(used in) operations		147,039	(33,523)
Overseas tax refunded		5,290	11,183
Net cash generated from/(used in) operating activities		152,329	(22,340)
Investing activities			
Decrease in bank deposits with original maturity more than three months		3,330	532,817
Interest received		4,756	4,324
Dividends received from listed securities		298	451
Payment for the purchase of property, plant and equipment		(8,560)	(8,389)
Net cash (used in)/generated from investing activities		(176)	529,203
Financing activities			
Proceeds from new bank loans		8,717	75,999
Repayment of bank loans		(55,002)	(84,140)
Interest paid		(13,196)	(14,098)
Dividends paid to equity shareholders of the company		(13,608)	–
Dividends paid to non-controlling shareholders		(14,401)	(16,910)
Net cash used in financing activities		(87,490)	(39,149)
Increase in cash and cash equivalents		64,663	467,714
Cash and cash equivalents at 1 January		1,152,738	710,072
Effect of foreign exchange rate changes		3,627	1,983
Cash and cash equivalents at 30 June	11	1,221,028	1,179,769

The notes on pages 23 to 42 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 30 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 16. In addition, this interim financial report has been reviewed by the Company’s Audit and compliance Committee.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

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

2 Changes in accounting policies

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

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

None of these amendments have had a material effect on how the Group's results and the financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and segment reporting

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

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

3 Revenue and segment reporting *(continued)*

(a) Revenue

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Hotel and club operations	541,265	187,745
Rental income	42,429	44,390
Management fee income	3,415	3,731
	587,109	235,866

(b) Segment results, assets and liabilities

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

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

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

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

3 Revenue and segment reporting (continued)

(c) Analysis of segment results of the Group

	Revenue HK\$'000	Depreciation HK\$'000	Finance costs HK\$'000	Share of profits/ (losses) of associates HK\$'000	Income tax (expense)/ credit HK\$'000	Contribution to profit/ (loss) HK\$'000
For the six months ended						
30 June 2022						
Hotel	537,917	(77,552)	(14,887)	5,843	8,360	1,968
– Vietnam	238,362	(24,421)	(1,039)	3,828	(9,967)	40,536
– United States	260,181	(39,055)	(12,012)	–	18,403	(24,609)
– The People's Republic of China	14,573	(5,956)	(1,708)	–	–	(10,688)
– Canada	21,814	(5,792)	(128)	2,015	(73)	871
– Japan	2,987	(2,328)	–	–	(3)	(4,142)
Property						
– Macau	48,202	(2,161)	(16)	–	(3,808)	33,624
Investment and corporate	990	(48)	(897)	–	(5,077)	(9,499)
Total	587,109	(79,761)	(15,800)	5,843	(525)	26,093

For the six months ended
30 June 2021

Hotel	183,737	(76,425)	(15,718)	(5,416)	46,477	(102,352)
– Vietnam	129,064	(26,522)	(3,149)	(2,303)	(1,815)	5,335
– United States	29,326	(35,341)	(10,601)	–	43,711	(82,075)
– The People's Republic of China	22,089	(6,172)	(1,620)	–	–	(4,234)
– Canada	2,159	(5,602)	(348)	(3,113)	4,584	(15,834)
– Japan	1,099	(2,788)	–	–	(3)	(5,544)
Property						
– Macau	51,210	(1,988)	–	–	(3,983)	32,473
Investment and corporate	919	(46)	(881)	–	(4,711)	(26,935)
Total	235,866	(78,459)	(16,599)	(5,416)	37,783	(96,814)

3 Revenue and segment reporting (continued)

(d) Analysis of total assets of the Group

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
At 30 June 2022				
Hotel				
– Vietnam	350,080	61,819	411,899	1,683
– United States	2,425,562	–	2,425,562	3,078
– The People's Republic of China	158,248	–	158,248	2,320
– Canada	125,121	23,488	148,609	1,005
– Japan	72,714	–	72,714	–
Property				
– Macau	1,912,214	–	1,912,214	470
Investment and corporate	449,093	4,168	453,261	4
Total	5,493,032	89,475	5,582,507	8,560
At 31 December 2021				
Hotel				
– Vietnam	330,119	57,991	388,110	491
– United States	2,413,954	–	2,413,954	11,284
– The People's Republic of China	170,671	–	170,671	4,456
– Canada	119,350	22,482	141,832	2,934
– Japan	86,823	–	86,823	–
Property				
– Macau	1,899,667	–	1,899,667	1,834
Investment and corporate	473,795	4,172	477,967	–
Total	5,494,379	84,645	5,579,024	20,999

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

3 Revenue and segment reporting (continued)

(e) Analysis of total liabilities of the Group

	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
At 30 June 2022			
Hotel			
– Vietnam	141,927	8,625	150,552
– United States	131,224	1,442,383	1,573,607
– The People's Republic of China	91,320	–	91,320
– Canada	15,913	–	15,913
– Japan	688	–	688
Property			
– Macau	174,377	–	174,377
Investment and corporate	59,251	–	59,251
Total	614,700	1,451,008	2,065,708
At 31 December 2021			
Hotel			
– Vietnam	109,057	54,927	163,984
– United States	108,369	1,433,377	1,541,746
– The People's Republic of China	90,395	–	90,395
– Canada	8,483	–	8,483
– Japan	692	–	692
Property			
– Macau	181,048	–	181,048
Investment and corporate	55,989	–	55,989
Total	554,033	1,488,304	2,042,337

4 Other revenue and other net gains/(losses)

	Six months ended 30 June	
	2022 HK\$'000	2021 HK\$'000
(a) Other revenue		
Interest income	4,756	4,324
Dividend income from listed securities	298	451
Others	6,852	1,787
	11,906	6,562
(b) Other net gains/(losses)		
Net exchange (losses)/gains	(5,359)	1,852
Net unrealised gains on derivative financial instruments	7,877	2,229
Net unrealised gains/(losses) on other non-current financial assets (note 16)	8,759	(12,431)
Net unrealised losses on trading securities	(390)	(636)
	10,887	(8,986)

5 Profit/(loss) before taxation

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
(a) Finance costs		
Bank loan interests	13,196	14,098
Discounting effect on loans from non-controlling shareholders	2,604	2,501
	15,800	16,599
(b) Staff costs		
Salaries, wages and other benefits	213,636	102,508
Contributions to defined contribution retirement plans	3,638	3,418
	217,274	105,926
(c) Other items		
Cost of inventories	18,174	9,935
Rental income from properties less direct outgoings of HK\$1,344,000 (2021: HK\$1,407,000)	(41,085)	(42,983)

6 Income tax expense/(credit)

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax - Overseas		
Provision for the period	18,326	4,665
Under-provision in respect of prior years	30	155
	18,356	4,820
Deferred taxation		
Origination and reversal of other temporary differences	(17,831)	(42,603)
	525	(37,783)

Notes:

- (a) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax loss to set-off against taxable income for the six months ended 30 June 2022 and 30 June 2021.
- (b) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (c) The applicable income tax rate for the subsidiary established in Vietnam before any incentives is 20% (2021: 20%) for the six months ended 30 June 2022.

6 Income tax expense/(credit) (continued)

- (d) The applicable PRC Enterprise Income Tax of the subsidiary established in the PRC is calculated at 25% (2021: 25%) of the estimated taxable profits for the period. No provision has been made for PRC Enterprise Income Tax as the subsidiary sustained a loss for taxation purposes for the six months ended 30 June 2022 and 30 June 2021.
- (e) Pursuant to the income tax rules and regulations of the United States, the applicable Federal and State Income Tax in respect of the subsidiaries operating in the United States are calculated at a rate of 21% (2021: 21%) and 9.98% (2021: 9.98%) respectively determined by income ranges for the six months ended 30 June 2022. United States sourced interest income received by foreign entities are subject to withholding tax of 30% (2021: 30%) on all gross income received.
- (f) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 21.36% (2021: 21.36%) on all gross profit distributions from the subsidiary.
- (g) Provision for Macau, Complementary Tax is calculated at 12% (2021: 12%) of the estimated assessable profits for the six months ended 30 June 2022. Macau Property Tax is calculated at 8% (2021: 8%) of the assessable rental income in Macau.
- (h) Pursuant to the income tax rules and regulations of Canada, the applicable federal and provincial statutory tax rate is 26.5% (2021: 26.5%).

7 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of HK\$6,947,000 (2021: loss of HK\$104,400,000) and on the 340,200,000 ordinary shares in issue during the six months ended 30 June 2022 and 30 June 2021.

There is no potential dilutive ordinary share during the six months ended 30 June 2022 and 30 June 2021.

8 Investment properties

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

The Group recorded an increase in fair value of investment properties of HK\$3,900,000 (2021: HK\$5,800,000) in profit or loss for the six months period ended 30 June 2022.

9 Other non-current financial assets

	Note	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Equity securities designated at FVOCI (non-recycling)			
– Listed outside Hong Kong		3,561	3,662
Financial assets measured at FVPL			
– Unlisted securities	(i)	113,629	113,332
		117,190	116,994

Note:

- (i) At 30 June 2022, the Group owned 8.10% (31 December 2021: 8.10%) interest of A2I Holdings S.A.R.L.. A2I Holdings S.A.R.L. is a private limited liability company incorporated in Luxembourg which owns 6.75% (31 December 2021: 6.75%) equity shares of AccorInvest Group S.A..

10 Trade and other receivables

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

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Within one month	34,865	12,427
One to three months	2,327	2,752
More than three months	2,469	703
	39,661	15,882

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

11 Deposits and cash

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Deposits with banks and other financial institutions	1,067,107	1,055,539
Cash at bank and on hand	173,830	120,438
Deposits and cash in the consolidated statement of financial position	1,240,937	1,175,977
Less: Deposits with original maturity greater than three months	(19,909)	(23,239)
Cash and cash equivalents in the condensed consolidated cash flow statement	1,221,028	1,152,738

12 Bank loans

(a) *At 30 June 2022 and 31 December 2021, the bank loans were repayable as follows:*

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Within 1 year or on demand	322,545	366,887
After 1 year but within 2 years	1,051,632	1,045,066
After 2 years but within 5 years	76,831	76,351
	1,128,463	1,121,417
	1,451,008	1,488,304

At 30 June 2022 and 31 December 2021, the bank loans were secured and unsecured as follows:

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Bank loans		
– Secured (note 12(b))	1,365,552	1,357,026
– Unsecured	85,456	131,278
	1,451,008	1,488,304

At 30 June 2022 and 31 December 2021, except for the loans received by two of the Group's subsidiaries amounting to HK\$76,831,000 (31 December 2021: HK\$76,351,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

12 Bank loans *(continued)*

- (b) At 30 June 2022, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:
- (i) Properties held for sale with a carrying value of HK\$64,366,000 (31 December 2021: HK\$64,366,000), and
 - (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$1,870,866,000 (31 December 2021: HK\$1,893,998,000).

Such banking facilities amounted to HK\$1,450,552,000 (31 December 2021: HK\$1,442,026,000) and were utilised to the extent of HK\$1,365,552,000 as at 30 June 2022 (31 December 2021: HK\$1,357,026,000).

- (c) Except for the loans received by two of the Group's subsidiaries amounting to HK\$76,831,000 (31 December 2021: HK\$76,351,000), all of the Group's other banking facilities are subject to the fulfilment of covenants relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become payable on demand.

As at 30 June 2022 and 31 December 2021, certain covenant ratios of two bank loans (referred to as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period of twelve months from 30 June 2022 and 31 December 2021.

13 Trade and other payables

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Trade payables	103,964	86,631
Payables and accruals	141,000	107,160
Deposits and receipts in advance	141,864	145,981
	386,828	339,772

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

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Within one month	63,207	59,478
One to three months	19,383	1,120
More than three months	21,374	26,033
	103,964	86,631

14 Loans from non-controlling shareholders

At 30 June 2022, loans from non-controlling shareholders were unsecured, interest-bearing on prime lending rate and repayable on demand except for amounts of HK\$36,382,000 (31 December 2021: HK\$35,302,000) and HK\$72,312,000 (31 December 2021: HK\$71,494,000) which were unsecured, interest-free and repayable on 30 April 2023 and 30 April 2025, respectively and the amount of HK\$72,312,000 (31 December 2021: HK\$106,796,000) were classified as non-current liabilities.

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

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

No interim dividend was declared and paid after the interim period in respect of the six months ended 30 June 2022 (2021: HK\$Nil).

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved paid during the following interim period, of HK\$0.04 (six months ended 30 June 2021: HK\$Nil) per ordinary share	13,608	–

(b) Share capital

	At 30 June 2022		At 31 December 2021	
	No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Ordinary shares, issued and fully paid:				
At 1 January and at 30 June/31 December	340,200	498,305	340,200	498,305

(c) Reserves*Fair value reserve (non-recycling)*

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

16 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

- (i) The Group's listed equity securities and trading securities are measured using market quoted price and therefore fall within the Level 1 fair value hierarchy as defined in HKFRS 13. The derivative financial assets carried at fair value are categorised as falling under Level 2, or transfers into or out of Level 3 (2021: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

During the six months ended 30 June 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2021: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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

The Group's derivative financial instruments of interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties. These derivative financial instruments fall within the Level 2 fair value hierarchy as defined in HKFRS13.

- (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted securities	Adjusted net asset value	Underlying assets' value	N/A
		Discount for marketability	25% to 35% (2021: 25% to 30%)

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

Significant unobservable inputs	Increase/(decrease) in significant unobservable inputs	Six months ended 30 June	
		2022 Increase/ (decrease) in the Group's profit HK\$'000	2021 (Increase)/ decrease in the Group's loss HK\$'000
Underlying assets' value	5	5,681	5,629
	(5)	(5,681)	(5,629)
Discount for marketability	1	(1,616)	(1,600)
	(1)	1,616	1,600

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

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

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

	At 30 June 2022 HK\$'000	At 30 June 2021 HK\$'000
<i>Financial assets measured at FVPL:</i>		
<i>– Unlisted securities:</i>		
At 1 January	113,332	128,848
Changes in fair value recognised in profit or loss	8,759	(12,431)
Unrealised exchange loss	(8,462)	(3,836)
At 30 June	113,629	112,581

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

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2022 and 31 December 2021.

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

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Contracted for	2,213	2,660
Authorised but not contracted for	19,898	20,081
	22,111	22,741

18 Material related party transactions

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

KC Ho is a non-executive director and a substantial shareholder of the Company at 30 June 2022. Goodland holds 28% of the equity interest in the Company at 30 June 2022. Kansas holds 30% of the equity interest in the Company at 30 June 2022. KSC is the fellow subsidiary of Kansas and Goodland. Mr Ho Kian Guan and Mr Ho Kian Hock, executive directors of the Company, each had 1/3 indirect interest in Goodland, Kansas and KSC and are also directors of Goodland and Kansas. They are deemed to be interested in the following transactions.

	Note	Six months ended 30 June	
		2022	2021
		HK\$'000	HK\$'000
(a) Transactions with Goodland			
Rental income receivable	(i)	254	254
Management fee payable	(ii)	984	984
		At 30 June	At 31 December
		2022	2021
		HK\$'000	HK\$'000
(b) Balances with Goodland			
Amount due to Goodland	(iv)	402	660
(c) Balances with KC Ho			
Loan from KC Ho	(iii)	11,774	11,422
Amount due to KC Ho	(iii)	608	604
(d) Balances with Kansas			
Loan from Kansas	(iii)	48,606	47,152
Amount due to Kansas	(iii)	2,798	2,836
(e) Balances with KSC			
Amount due to KSC	(iii)	4,293	4,313

18 Material related party transactions (continued)

Notes:

- (i) A subsidiary of the Company rented certain of its properties to Goodland and received rental income.
- (ii) Certain subsidiaries of the Company paid management fees to Goodland.
- (iii) At 30 June 2022, loans from KC Ho of HK\$8,938,000 (31 December 2021: HK\$8,670,000) and HK\$2,836,000 (31 December 2021: HK\$2,752,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2023, respectively. Amount due to KC Ho of HK\$608,000 (31 December 2021: HK\$604,000) was interest-free, unsecured and repayable on demand.

At 30 June 2022, loan from Kansas of HK\$36,898,000 (31 December 2021: HK\$35,791,000) and HK\$11,708,000 (31 December 2021: HK\$11,361,000) were unsecured, interest-free and repayable on 30 April 2025 and 30 April 2023, respectively. Amount due to Kansas of HK\$2,798,000 (31 December 2021: HK\$2,836,000) which was interest-free, unsecured and repayable on demand.

At 30 June 2022, loan from KSC of HK\$4,293,000 (31 December 2021: HK\$4,313,000) was unsecured, interest-bearing on prime lending rate and repayable on demand.

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

- (iv) At 30 June 2022, trade and other payables included amounts due to Goodland of HK\$402,000 (31 December 2021: HK\$660,000) comprising:
 - interest-bearing accounts with certain subsidiaries of the Company amounting to HK\$17,000 (31 December 2021: HK\$92,000).
 - non-interest bearing accounts with certain subsidiaries of the Company amounted to HK\$385,000 (31 December 2021: HK\$568,000).

The balances were unsecured and repayable on demand.

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

19 Contingent liabilities

At 30 June 2022, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2021: HK\$8,252,000).

At 30 June 2022, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

SCHEDULE OF PRINCIPAL PROPERTIES

at 30 June 2022

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
Properties classified as investment properties					
Luso International Bank Building 1, 3 and 3A Rua Do Dr. Pedro Jose Lobo, Macau	100%	Office	40	30,264	Short lease
Ocean Plaza, I & II Ocean Gardens, Macau	70.61%	Commercial	47	94,525	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Office	19	49,703	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Car parks	206	N/A	Short lease
Properties classified as hotel properties					
Sheraton Ottawa Hotel Ottawa, Canada	85%	Hotel	236	191,296	Freehold
Delta Hotels by Marriott Toronto Airport & Conference Centre Toronto, Canada	25%	Hotel	433	447,380	Freehold
Caravelle Hotel Ho Chi Minh City, Vietnam	24.99%	Hotel	335	388,458	Medium lease
Holiday Inn Wuhan Riverside Wuhan, PRC	41.26%	Hotel	305	296,288	Medium lease
Sheraton Saigon Hotel & Towers Ho Chi Minh City, Vietnam	64.12%	Hotel	485	742,156	Medium lease
W San Francisco San Francisco, United States	100%	Hotel	411	292,168	Freehold
Sofitel New York New York, United States	100%	Hotel	398	294,000	Freehold
Best Western Hotel Fino Osaka Shinsaibashi Osaka, Japan	100%	Hotel	179	41,720	Freehold

SCHEDULE OF PRINCIPAL PROPERTIES *(continued)*

at 30 June 2022

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