



Hongkong Chinese Limited
香港華人有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 655)



2023 INTERIM REPORT

* For identification purpose only

Contents

	Page
Condensed Consolidated Statement of Profit or Loss	2
Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Interim Financial Statements	8
Business Review and Prospects	19
Additional Information	24
Supplementary Financial Information	33
Corporate Information	34

The Board of Directors of Hongkong Chinese Limited (the “Company”) presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2023

	Note	Unaudited Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000
Revenue	4	36,862	36,656
Cost of sales		(1,131)	(945)
Gross profit		35,731	35,711
Administrative expenses		(17,438)	(18,181)
Other operating expenses	6	(9,917)	(9,860)
Other gains/(losses) — net	5	(129)	19,745
Finance costs		(11,337)	(3,785)
Share of results of associates		2,954	6,393
Share of results of joint ventures	7	90,555	268,653
Profit before tax	6	90,419	298,676
Income tax	8	(2,248)	(2,048)
Profit for the period		88,171	296,628
Attributable to:			
Equity holders of the Company		88,679	297,144
Non-controlling interests		(508)	(516)
		88,171	296,628
		HK cents	HK cents
Earnings per share attributable to equity holders of the Company	9		
Basic and diluted		4.4	14.9

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Profit for the period	88,171	296,628
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(7,898)	(21,791)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	–	(21,689)
Share of other comprehensive income/(loss) of joint ventures:		
Exchange differences on translation of foreign operations	(179,684)	(449,488)
Other reserve	(145)	51,931
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(187,727)	(441,037)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	(5)	(14)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	(76,299)	(281,634)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	(76,304)	(281,648)
Other comprehensive loss for the period, net of tax	(264,031)	(722,685)
Total comprehensive loss for the period	(175,860)	(426,057)
Attributable to:		
Equity holders of the Company	(174,831)	(424,670)
Non-controlling interests	(1,029)	(1,387)
	(175,860)	(426,057)

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current assets			
Fixed assets		10,484	12,268
Investment properties		137,593	139,395
Right-of-use assets		392	529
Interests in associates		289,123	287,649
Interests in joint ventures	7	10,349,644	10,474,432
Financial assets at fair value through other comprehensive income		70	73
Financial assets at fair value through profit or loss		2,950	3,050
		10,790,256	10,917,396
Current assets			
Properties held for sale		64,197	65,787
Properties under development		23,051	25,081
Debtors, prepayments and other assets	11	2,709	4,219
Financial assets at fair value through profit or loss		272	311
Tax recoverable		490	512
Cash and cash equivalents		177,093	207,373
		267,812	303,283
Current liabilities			
Lease liabilities		268	265
Other payables, accruals and other liabilities		17,426	22,507
Tax payable		31,762	30,524
		49,456	53,296
Net current assets		218,356	249,987
Total assets less current liabilities		11,008,612	11,167,383

Condensed Consolidated Statement of Financial Position (Continued)
As at 30 June 2023

	Note	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Non-current liabilities			
Bank loans	12	463,889	456,111
Lease liabilities		128	265
Deferred tax liabilities		13,166	13,288
		477,183	469,664
Net assets			
		10,531,429	10,697,719
Equity			
Equity attributable to equity holders of the Company			
Share capital	13	1,998,280	1,998,280
Reserves	14	8,516,805	8,682,066
		10,515,085	10,680,346
Non-controlling interests		16,344	17,373
		10,531,429	10,697,719

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Unaudited									
	Attributable to equity holders of the Company									
	Share capital	Share premium account	Capital redemption reserve <i>(Note 14(b))</i>	Fair value reserve of financial assets at FVOCI* <i>(Note 14(c))</i>	Hedging reserve <i>(Note 14(c))</i>	Exchange equalisation reserve	Distributable reserves <i>(Note 14(b))</i>	Total	Non-controlling interests	Total equity
At 1 January 2023	1,998,280	92,775	22,144	(615,019)	5,961	(33,054)	9,209,259	10,680,346	17,373	10,697,719
Profit/(Loss) for the period	-	-	-	-	-	-	88,679	88,679	(508)	88,171
Other comprehensive income/(loss) for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(7,377)	-	(7,377)	(521)	(7,898)
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(5)	-	-	-	(5)	-	(5)
Share of other comprehensive loss of joint ventures	-	-	-	(76,299)	(145)	(179,684)	-	(256,128)	-	(256,128)
Total comprehensive income/(loss) for the period	-	-	-	(76,304)	(145)	(187,061)	88,679	(174,831)	(1,029)	(175,860)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	9,570	9,570	-	9,570
Share of transfer of reserve of joint ventures	-	-	-	(14,122)	-	-	14,122	-	-	-
At 30 June 2023	1,998,280	92,775	22,144	(705,445)	5,816	(220,115)	9,321,630	10,515,085	16,344	10,531,429
At 1 January 2022	1,998,280	92,775	22,144	(173,552)	(16,326)	667,559	8,609,781	11,200,661	20,162	11,220,823
Profit/(Loss) for the period	-	-	-	-	-	-	297,144	297,144	(516)	296,628
Other comprehensive income/(loss) for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	(20,920)	-	(20,920)	(871)	(21,791)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	-	-	-	-	-	(21,689)	-	(21,689)	-	(21,689)
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	(14)	-	-	-	(14)	-	(14)
Share of other comprehensive income/(loss) of joint ventures	-	-	-	(281,634)	51,931	(449,488)	-	(679,191)	-	(679,191)
Total comprehensive income/(loss) for the period	-	-	-	(281,648)	51,931	(492,097)	297,144	(424,670)	(1,387)	(426,057)
Share of equity movements arising on equity transactions of joint ventures	-	-	-	-	-	-	(410)	(410)	-	(410)
Share of transfer of reserve of joint ventures	-	-	-	(15,192)	-	-	15,192	-	-	-
2021 final dividend declared and paid to shareholders of the Company	-	-	-	-	-	-	(24,979)	(24,979)	-	(24,979)
At 30 June 2022	1,998,280	92,775	22,144	(470,392)	35,605	175,462	8,896,728	10,750,602	18,775	10,769,377

* FVOCI stands for fair value through other comprehensive income.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Net cash flows used in operating activities	(23,522)	(23,309)
Cash flows from investing activities		
Payments to acquire fixed assets	(1,131)	(17)
Other net cash flows arising from investing activities	223	–
Net cash flows used in investing activities	(908)	(17)
Cash flows from financing activities		
Drawdown of bank and other borrowings	49,000	60,000
Repayment of other borrowings	(43,000)	–
Finance costs paid	(9,584)	(1,993)
Dividend paid to shareholders of the Company	–	(24,979)
Other net cash flows arising from financing activities	(132)	(133)
Net cash flows from/(used in) financing activities	(3,716)	32,895
Net increase/(decrease) in cash and cash equivalents	(28,146)	9,569
Cash and cash equivalents at beginning of period	207,373	122,211
Exchange realignments	(2,134)	(3,482)
Cash and cash equivalents at end of period	177,093	128,298

Notes to the Interim Financial Statements

1. BASIS OF PREPARATION

The interim financial statements are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations for the first time for the current period’s financial statements:

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group’s interim financial statements but are expected to affect the accounting policy disclosures in the Group’s annual financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group’s policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in the annual financial statements, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

- (a) the property investment segment includes investments relating to the letting and resale of properties;
- (b) the property development segment includes the development and sale of properties;
- (c) the treasury investment segment includes investments in money markets;
- (d) the securities investment segment includes investments in securities that are held for trading and for long-term strategic purposes; and
- (e) the "other" segment comprises principally the provision of project management services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) and comprises segment results of the Company and its subsidiaries, the Group's share of results of associates and joint ventures.

Segment results are measured consistently with the Group's profit/(loss) before tax except that the Group's share of results of associates and joint ventures, unallocated corporate expenses and certain finance costs are excluded from such measurement.

Segment assets exclude interests in associates and joint ventures, deferred tax assets, tax recoverable and other head office and corporate assets which are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other head office and corporate liabilities which are managed on a group basis.

Inter-segment transactions are on an arm's length basis in a manner similar to transactions with third parties.

3. SEGMENT INFORMATION (Continued)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
Six months ended 30 June 2023						
Revenue — external	34,790	–	1,822	2	248	36,862
Segment results	20,030	(2,679)	1,822	(140)	(1,391)	17,642
Unallocated corporate expenses						(20,732)
Share of results of associates	–	2,954	–	–	–	2,954
Share of results of joint ventures	90,555	–	–	–	–	90,555
Profit before tax						90,419
Other segment information:						
Capital expenditure (Note)	45	10	–	–	–	55
Depreciation	(18)	(1)	–	–	(140)	(159)
Interest income	31,195	–	1,822	–	–	33,017
Finance costs	(11,328)	–	–	–	(9)	(11,337)
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(139)	–	(139)
Unallocated:						
Capital expenditure (Note)						1,076
Depreciation						(2,881)
Six months ended 30 June 2022						
Revenue — external	34,489	–	187	314	1,666	36,656
Segment results	27,445	19,289	187	(1,047)	(873)	45,001
Unallocated corporate expenses						(21,371)
Share of results of associates	–	6,393	–	–	–	6,393
Share of results of joint ventures	268,653	–	–	–	–	268,653
Profit before tax						298,676
Other segment information:						
Depreciation	(13)	–	–	–	(134)	(147)
Interest income	30,479	–	187	–	122	30,788
Finance costs	(3,782)	–	–	–	(3)	(3,785)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	–	22,055	–	–	–	22,055
Net fair value loss on financial instruments at fair value through profit or loss	–	–	–	(1,355)	–	(1,355)
Unallocated:						
Capital expenditure (Note)						17
Depreciation						(2,778)
Realised translation losses reclassified to the statement of profit or loss relating to liquidation of foreign operations						(366)

Note: Capital expenditure includes additions to fixed assets.

3. SEGMENT INFORMATION (Continued)

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
At 30 June 2023 (unaudited)						
Segment assets	174,865	75,530	155,261	3,292	476	409,424
Interests in associates	7,171	281,952	–	–	–	289,123
Interests in joint ventures	10,349,644	–	–	–	–	10,349,644
Unallocated assets						9,877
Total assets						11,058,068
Segment liabilities	468,655	9,195	–	–	421	478,271
Unallocated liabilities						48,368
Total liabilities						526,639
At 31 December 2022 (audited)						
Segment assets	175,345	79,021	186,648	3,434	616	445,064
Interests in associates	7,180	280,469	–	–	–	287,649
Interests in joint ventures	10,474,432	–	–	–	–	10,474,432
Unallocated assets						13,534
Total assets						11,220,679
Segment liabilities	460,364	9,403	–	–	604	470,371
Unallocated liabilities						52,589
Total liabilities						522,960

4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers:		
Provision of project management services	246	1,534
Revenue from other sources:		
Property rental income from operating leases	3,595	4,010
Interest income	33,017	30,788
Dividend income	2	314
Other	2	10
	36,862	36,656

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Other segment		
Types of goods or services:		
Provision of project management services	246	1,534
Geographical markets:		
Republic of Singapore	246	1,534
Timing of revenue recognition:		
Services transferred over time	246	1,534

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Other segment		
Revenue from contracts with external customers	246	1,534
Revenue from other sources — external	2	132
Total segment revenue	248	1,666

5. OTHER GAINS/(LOSSES) — NET

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Net fair value gain/(loss) on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	(39)	(1,452)
Debt securities	(100)	100
Investment funds	—	(3)
	(139)	(1,355)
Foreign exchange gains/(losses) — net	10	(589)
Realised translation gains reclassified to the statement of profit or loss relating to liquidation of foreign operations	—	21,689
	(129)	19,745

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interest income:		
Loans and advances	31,195	30,601
Other	1,822	187
Depreciation of fixed assets	(2,904)	(2,795)
Depreciation of right-of-use assets	(136)	(130)
Legal and professional fees (Note)	(989)	(1,682)
Consultancy and service fees (Note)	(2,894)	(2,905)

Note: The amounts are included in "Other operating expenses" in the condensed consolidated statement of profit or loss.

7. SHARE OF RESULTS OF JOINT VENTURES/INTERESTS IN JOINT VENTURES

Share of results of joint ventures for the six months ended 30 June 2023 mainly included share of profit of Lippo ASM Asia Property Limited ("LAAPL", together with its subsidiaries, the "LAAPL Group") of HK\$93,010,000 (2022 — HK\$271,049,000). The change was mainly attributable to lower profit contribution from the joint venture's equity-accounted investees, higher finance expenses and less net fair value gain from the investments designated at fair value through profit or loss held by the joint ventures during the six months ended 30 June 2023. As at 30 June 2023, the Group's total interests in LAAPL was approximately HK\$10,198,399,000 (31 December 2022 — HK\$10,327,641,000).

LAAPL is the investment vehicle holding a controlling stake in OUE Limited ("OUE", together with its subsidiaries, the "OUE Group"). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited. The OUE Group is a leading pan-Asian, full service real estate development, investment and management conglomerate with assets across the commercial, hospitality, retail, residential and healthcare sectors. Certain bank facilities of the LAAPL Group were secured by certain listed shares held under it.

8. INCOME TAX

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Hong Kong:		
Charge for the period	2,125	2,105
Deferred	(5)	(10)
	2,120	2,095
Mainland China and overseas:		
Charge for the period	128	159
Deferred	–	(206)
	128	(47)
Total charge for the period	2,248	2,048

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2022 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period at the rates of 25% and 17% (2022 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**(a) Basic earnings per share**

Basic earnings per share is calculated based on (i) the consolidated profit for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2022 — approximately 1,998,280,000 ordinary shares) in issue during the period.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 and 2022.

10. INTERIM DIVIDEND

	Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interim dividend, declared — Nil (2022 — HK1 cent per ordinary share)	–	19,983

11. DEBTORS, PREPAYMENTS AND OTHER ASSETS

Included in the balances are trade debtors with an ageing analysis, based on the invoice date and net of loss allowance, as follows:

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Outstanding balances with ages: Within 30 days	–	21

12. BANK LOANS

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Unsecured bank loans (Note)	463,889	456,111
Bank loans repayable: In the third to fifth years, inclusive	463,889	456,111

Note: The Group's bank loans were denominated in Hong Kong dollars and bore interest at floating rate. The Company has provided corporate guarantee for the bank loans granted to a subsidiary of the Company.

13. SHARE CAPITAL

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Authorised: 4,000,000,000 (31 December 2022 — 4,000,000,000) ordinary shares of HK\$1.00 each	4,000,000	4,000,000
Issued and fully paid: 1,998,280,097 (31 December 2022 — 1,998,280,097) ordinary shares of HK\$1.00 each	1,998,280	1,998,280

14. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior periods are presented in the condensed consolidated statement of changes in equity on page 6.

Note:

- (a) Cancellation of the share premium account and transfer to distributable reserves:
Pursuant to a special resolution passed at a special general meeting of the Company on 2 December 1997, the entire amount standing to the credit of the share premium account of HK\$3,630,765,000 was cancelled (the "Cancellation"). The credit arising from the Cancellation was transferred to distributable reserves. The balance of the reserves arising from the Cancellation could be applied towards any capitalisation issues of the Company in future, or for making distributions to shareholders of the Company.
- (b) Distributable reserves of the Group as at 30 June 2023 comprised retained profits of HK\$8,576,655,000 (31 December 2022 — HK\$8,464,284,000) and the remaining balance arising from the Cancellation of HK\$744,975,000 (31 December 2022 — HK\$744,975,000). The distributable reserves and the capital redemption reserve are available for distribution to shareholders.
- (c) The hedging reserve relates to the Group's share of the hedging reserve of joint ventures.

15. CONTINGENT LIABILITIES

As at 30 June 2023, the Group had no material contingent liabilities (31 December 2022 — Nil).

16. COMMITMENTS

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

	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Commitments in respect of properties, plant and equipment:		
Contracted, but not provided for	—	354

17. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the six months ended 30 June 2023:

- (a) During the period, the Company paid rental expenses (including service charges) of HK\$606,000 (2022 — HK\$658,000) to a fellow subsidiary of the Company, in respect of office premises occupied by the Company. The rental was determined by reference to the then prevailing open market rentals.
- (b) During the period, the Group received interest income of HK\$31,146,000 (2022 — HK\$30,479,000) from joint ventures of the Group.
- (c) During the period, the Group received revenue from the provision of project management services of HK\$211,000 (2022 — HK\$1,431,000) from an associate of the Group.
- (d) During the period, the Company borrowed an unsecured loan from an intermediate holding company of the Company of HK\$43,000,000 (31 December 2022 — Nil). The loan bore interest at 3% per annum and was fully repaid during the period.
- (e) As at 30 June 2023, the Group had amounts due from associates of HK\$7,171,000 (31 December 2022 — HK\$7,180,000). The amounts due from associates included balance of HK\$867,000 (31 December 2022 — HK\$1,036,000), which is unsecured, bears interest at a rate of 10% per annum (31 December 2022 — 10% per annum) and is fully repayable by 2027. The remaining balances with the associates are unsecured, interest-free and repayable on demand.
- (f) As at 30 June 2023, the Group had amounts due from joint ventures of HK\$2,858,897,000 (31 December 2022 — HK\$2,842,603,000) and amount due to a joint venture of HK\$4,262,000 (31 December 2022 — HK\$4,354,000). The amounts due from joint ventures included balances of HK\$2,664,458,000 (31 December 2022 — HK\$2,652,087,000), which are unsecured, bear interest at rates ranging from nil to 2.25% per annum (31 December 2022 — nil to 2.25% per annum) and are repayable on demand. The amounts due from joint ventures also included balances of HK\$180,594,000 (31 December 2022 — HK\$176,671,000), which are unsecured, bear interest at rates ranging from nil to 7% per annum (31 December 2022 — nil to 7% per annum) and are repayable when the resources of the joint venture permit. The remaining balances with the joint ventures are unsecured, interest-free and repayable on demand.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments carried at fair value, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2023 HK\$'000	31 December 2022 HK\$'000	30 June 2023 HK\$'000	31 December 2022 HK\$'000
Financial assets				
Financial assets at fair value through other comprehensive income	70	73	70	73
Financial assets at fair value through profit or loss	3,222	3,361	3,222	3,361
	3,292	3,434	3,292	3,434

Management has assessed that the fair values of cash and cash equivalents, financial assets included in debtors, prepayments and other assets, amounts due from associates and joint ventures and financial liabilities included in other payables, accruals and other liabilities approximate to their carrying amounts largely due to the short term maturity of these instruments. In addition, the fair values of interest-bearing bank loans approximate to their carrying amounts as they are floating rate instruments that are repriced to market interest rates at or near the end of the reporting period and the changes in fair value as a result of the Group's non-performance risk were considered to be minimal.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of significant financial instruments. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity securities are based on quoted market prices.

The fair values of unlisted debt securities are determined by reference to the quoted market prices from the broker using a valuation technique with market observable inputs.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)**Fair value hierarchy**

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
At 30 June 2023				
Financial assets at fair value through other comprehensive income:				
Equity securities	70	–	–	70
Financial assets at fair value through profit or loss:				
Equity securities	272	–	–	272
Debt securities	–	2,950	–	2,950
	342	2,950	–	3,292
At 31 December 2022				
Financial assets at fair value through other comprehensive income:				
Equity securities	73	–	–	73
Financial assets at fair value through profit or loss:				
Equity securities	311	–	–	311
Debt securities	–	3,050	–	3,050
	384	3,050	–	3,434

During the six months ended 30 June 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2022 — 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.

19. EVENTS AFTER THE REPORTING PERIOD

A capital reorganisation (the "Capital Reorganisation") of the Company was effected on 3 July 2023. The Capital Reorganisation involved, inter alia, the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued shares such that the par value of each issued share was reduced from HK\$1.00 to HK\$0.10 and the authorised share capital of the Company was changed to HK\$400,000,000 divided into 4,000,000,000 shares of par value of HK\$0.10 each. On the same day, the amount of share capital being reduced was transferred to the share premium account and the balance of the share premium account was transferred to the contributed surplus account of the Company. The Capital Reorganisation does not have any material impact on the financial position or performance of the Group.

Business Review and Prospects

Business Review

Overview

The World Health Organisation announced in May 2023 that it no longer considered COVID-19 pandemic (the “Pandemic”) to be a global health emergency. However, forces hindered growth in 2022 persisted during the six months ended 30 June 2023 (the “Period”). Inflation remained high. Tight monetary and fiscal policies in response to inflation had raised the cost of borrowing and constrained the economic activity. Mainland China’s reopening at the beginning of the Period lifted its economy but the recovery momentum was slow. After a second year of rapid economic recovery from the Pandemic in 2022, economic growth momentum in the Republic of Singapore (“Singapore”) had moderated significantly during the Period. However, international tourism has rebounded substantially in Singapore.

Results for the Period

Against this backdrop, the Group recorded a consolidated profit attributable to shareholders of HK\$89 million for the Period, as compared to a consolidated profit of HK\$297 million for the six months ended 30 June 2022 (“2022”). The change was mainly attributable to the decrease in share of profit of the Group’s joint ventures for the Period.

Revenue for the Period amounted to HK\$37 million (2022 — HK\$37 million). Property investment business contributed to 94% (2022 — 94%) of total revenue for the Period.

The Group’s other operating expenses mainly included legal and professional fees and consultancy and service fees. Other operating expenses amounted to HK\$10 million for the Period (2022 — HK\$10 million).

Property investment

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group’s investment properties and interest income from the loans to the Group’s joint ventures. Segment revenue for the Period amounted to HK\$35 million (2022 — HK\$34 million). Segment profit before accounting for the share of results from the Group’s joint ventures amounted to HK\$20 million for the Period (2022 — HK\$27 million).

Lippo ASM Asia Property Limited (“LAAPL”, together with its subsidiaries, the “LAAPL Group”), a principal joint venture of the Group, is the vehicle holding a controlling stake in OUE Limited (“OUE”, together with its subsidiaries, the “OUE Group”), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The OUE Group is a leading pan-Asian, full service real estate development, investment and management conglomerate with assets across the commercial, hospitality, retail, residential and healthcare sectors. As at 30 June 2023, the LAAPL Group had an equity interest of approximately 73.0% in OUE.

OUE Commercial Real Estate Investment Trust (“OUE C-REIT”), a subsidiary of OUE, is one of the largest diversified REITs listed on the SGX-ST. The property portfolio of OUE C-REIT includes OUE Bayfront, One Raffles Place, OUE Downtown Office, Hilton Singapore Orchard, the adjoining Mandarin Gallery and Crowne Plaza Changi Airport in Singapore as well as Lippo Plaza in Shanghai, the People’s Republic of China (the “PRC”). The LAAPL Group had an aggregate of approximately 49.4% interest in OUE C-REIT as at 30 June 2023.

The commercial segment of OUE C-REIT's property portfolio remained healthy, with stable or improving occupancies and continued positive rental reversions. While finance costs continued to present headwinds due to high interest rates, the impact on distributions was mitigated by the portfolio's higher revenue and net property income growth, as well as its prudent capital management approach. As at 30 June 2023, the committed occupancy of OUE C-REIT's Singapore office portfolio remained stable at 96.1%. Against the backdrop of improving retailer sentiment due to healthy retail sales and the recovery in visitor arrivals, Mandarin Gallery's committed occupancy (excluding short-term leases) increased quarter-on-quarter to 96.4% in the second quarter of 2023, while its rental reversion continued to be positive. Shopper traffic and tenant sales in the second quarter of 2023 remained stable at 98% and 83% of pre-Pandemic levels, respectively. Meanwhile, the hospitality segment of OUE C-REIT performed above pre-Pandemic levels, driven by higher room rates and supported by the continued recovery of tourism and meetings, incentives, conventions and exhibitions (MICE) sectors in Singapore and the full-opening of Hilton Singapore Orchard. To capture the strong wave of tourists and business travellers anticipated in 2024 and beyond, OUE C-REIT and OUE announced a S\$22 million asset enhancement initiative for Crowne Plaza Changi Airport to revitalise the offerings at the landmark asset which has been crowned the World's Best Airport Hotel for eight consecutive years by Skytrax. The enhancements include the addition of 12 guest rooms, an extensive revamp of the all-day dining restaurant to complement the current F&B offerings at Changi Airport and the creation of new and flexible meeting facilities by optimising and repurposing underutilised spaces to enhance value and drive greater returns.

OUE Healthcare Limited ("OUEH", formerly known as OUE Lippo Healthcare Limited, together with its subsidiaries, the "OUEH Group"), a subsidiary of OUE listed on the sponsor-supervised listing platform of the SGX-ST, is a regional healthcare group that is focused on building a regional healthcare ecosystem. OUEH owns, operates and invests in quality healthcare businesses in high-growth markets including operating and managing a respiratory and cardiothoracic specialist group in Singapore and jointly developing and operating two hospitals in the PRC with China Merchants Group, as well as jointly operating and managing Myanmar's leading private hospital group. As at 30 June 2023, the OUE Group owned approximately 70.4% equity interest in OUEH. Since the establishment of a medical partnership with three medical specialist groups (the "Medical Partners") in 2022, the Medical Partners have grown from 11 doctors to 13 doctors comprising 11 respiratory specialists and 2 cardiothoracic surgeons. The Medical Partners will collectively be branded under the "O2 Healthcare" brand name so as to strengthen their market recognition and presence. In mainland China, the Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital (the "Changshu Hospital") was officially commissioned in May 2023. The 100-bed hospital is Changshu's first private Obstetrics and Gynaecology hospital, offering premium medical services in obstetrics, gynaecology, paediatrics and ancillary medical services such as medical aesthetics. It also houses a confinement centre with premium postpartum rehabilitative suites that provides postpartum wellness services. The construction and development of Shenzhen China Merchants-Lippo Prince Bay Hospital (the "Prince Bay Hospital"), with a total capacity of over 200 beds, continue to progress as planned and is on track to be commissioned in 2024. The Prince Bay Hospital is positioned to be a premium general hospital of international standards serving the affluent population in the Greater Bay Area. In April 2023, the OUEH's joint venture entered into an agreement with The Chinese University of Hong Kong for consultancy services for the operation of an international medical centre in the Prince Bay Hospital. Both the Changshu Hospital and the Prince Bay Hospital will be operated by the OUEH Group's joint venture with the China Merchants Group. Myanmar's social-political situation remains volatile. Local businesses had to contend with

various challenges which include import curbs, foreign exchange restrictions, further depreciation of Myanmar Kyats leading to rising inflation and frequent power outages. Despite the challenging operating environment, the OUEH Group's joint venture hospital group with First Myanmar Investments, Pun Hlaing Hospitals, has continued to report stable operations, supported by the demand for its healthcare services as an essential social service. The OUEH Group will continue to monitor market conditions closely to navigate the challenging operating environment.

As at 30 June 2023, the OUE Group (including that held through the OUEH Group) had an approximately 44.5% interest in First Real Estate Investment Trust ("First REIT"), which is listed on the Mainboard of the SGX-ST. First REIT is a healthcare real estate investment trust which invests in diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes. As at 30 June 2023, First REIT has 32 properties comprising 14 in Japan, 15 in Indonesia and 3 in Singapore. All the healthcare and healthcare-related properties continued to deliver sustainable rental growth for the Period. Global economic uncertainties have brought about a challenging business environment, but First REIT has grown in resilience through the early refinancing of debt and the ongoing diversification of its geographical and tenant mix, in line with its growth strategy of diversifying into developed markets to comprise more than 50% of its portfolio by the year 2027 and reshaping its portfolio for capital efficient growth through the divestment of non-core or mature assets.

In July 2023, a wholly-owned subsidiary of OUEH (the "Offeror") has announced that it will make a conditional exit offer at S\$0.048 per offer share in cash, to acquire all the issued ordinary shares in Healthway Medical Corporation Limited ("Healthway"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the "Exit Offer"), in connection with the proposed voluntary delisting of Healthway from the Official List of the SGX-ST. As set out in the joint announcement released by OUEH and Healthway on 3 July 2023 (the "Joint Announcement") in relation to the proposed voluntary delisting and the Exit Offer, this marks a milestone step for OUEH in building a regional healthcare ecosystem, anchored on Singapore's high standards of medical excellence. As was also mentioned in the Joint Announcement, the Exit Offer presents a unique opportunity for OUEH to tap into the growing Singapore healthcare market, including the Healthier SG Initiative announced by the Singapore government, where the nation is moving towards a patient-centred preventive healthcare model following the Pandemic, and the national shift towards preventive care from reactive care will also drive healthcare innovations that will translate into new business opportunities for private healthcare players.

The Group recorded a share of profit of joint ventures of HK\$93 million from its investment in LAAPL for the Period (2022 — HK\$271 million). The change was mainly attributable to lower profit contribution from the joint venture's equity-accounted investees, higher finance expenses and less fair value gain from the investments designated at fair value through profit or loss held by the joint ventures. Coupled with share of foreign exchange translation losses of overseas operations of the LAAPL Group and share of fair value loss of its financial assets at fair value through other comprehensive income in reserves during the Period, the Group's total interests in LAAPL as at 30 June 2023 decreased to HK\$10.2 billion (31 December 2022 — HK\$10.3 billion).

Property development

The sale of the remaining properties at Lippo Plaza in Beijing, the PRC remained stagnant during the Period due to the gloomy local property market. The segment recorded a loss of HK\$3 million for the Period (2022 — profit of HK\$19 million, which included a HK\$22 million translation gain released from exchange equalisation reserve to statement of profit or loss upon dissolution of a joint venture) before accounting for the share of results from the Group's associates.

Treasury and securities investments

The Group managed its investment portfolio and looked for opportunities to enhance yields. Total revenue from treasury and securities investments businesses for the Period amounted to HK\$1.8 million (2022 — HK\$0.5 million). The Group recorded a net fair value loss of HK\$0.1 million in the statement of profit or loss from its securities investments for the Period (2022 — HK\$1.4 million). As a result, the treasury and securities investments businesses recorded a net profit of HK\$1.7 million for the Period (2022 — loss of HK\$0.9 million).

Financial Position

The Group's financial position remained healthy. As at 30 June 2023, its total assets amounted to HK\$11.1 billion (31 December 2022 — HK\$11.2 billion). Property-related assets amounted to HK\$10.9 billion as at 30 June 2023 (31 December 2022 — HK\$11.0 billion), representing 98% (31 December 2022 — 98%) of the total assets. Total liabilities as at 30 June 2023 amounted to HK\$0.5 billion (31 December 2022 — HK\$0.5 billion). Total cash and cash equivalents as at 30 June 2023 amounted to HK\$177 million (31 December 2022 — HK\$207 million). Current ratio as at 30 June 2023 amounted to 5.4 (31 December 2022 — 5.7).

As at 30 June 2023, the Group's bank loans amounted to HK\$464 million (31 December 2022 — HK\$456 million). The bank loans were denominated in Hong Kong dollars and carried interest at floating rate. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. As at 30 June 2023, all the bank loans were repayable after two years (31 December 2022 — two years). The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 4.4% as at 30 June 2023 (31 December 2022 — 4.3%).

The net asset value attributable to equity holders of the Company decreased to HK\$10.5 billion as at 30 June 2023 (31 December 2022 — HK\$10.7 billion), which was mainly attributable to the share of reduction in reserves of the LAAPL Group offset with net profit for the Period. This was equivalent to HK\$5.3 per share (31 December 2022 — HK\$5.3 per share).

The Group monitors the relative foreign exchange position of its assets and liabilities to minimise foreign currency risk. When appropriate, hedging instruments including forward contracts, swaps and currency loans would be used to manage the foreign exchange exposure.

The Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31 December 2022 — Nil).

As at 30 June 2023, the Group had no capital commitment (31 December 2022 — HK\$0.4 million). The Group's investments or capital assets will be financed by its internal resources and/or external bank financing, as appropriate.

A capital reorganisation (the "Capital Reorganisation") of the Company was effected on 3 July 2023. The Capital Reorganisation involved, inter alia, the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.90 on each of the issued shares such that the par value of each issued share was reduced from HK\$1.00 to HK\$0.10 and the authorised share capital of the Company was changed to HK\$400,000,000 divided into 4,000,000,000 shares of par value of HK\$0.10 each. On the same day, the amount of share capital being reduced was transferred to the share premium account and the balance of the share premium account was transferred to the contributed surplus account of the Company. The Capital Reorganisation does not have any material impact on the financial position or performance of the Group.

Staff and Remuneration

The Group had 40 full-time employees as at 30 June 2023 (30 June 2022 — 39 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK\$12 million (2022 — HK\$13 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

Prospects

Ongoing geopolitical tensions and growing geoeconomic fragmentation continue. Prospects for a robust global economic recovery remain uncertain amid stubborn inflation, rising interest rates and heightened uncertainties. Singapore narrowed its economic growth forecast for 2023 to the range of 0.5% to 1.5%, down from the range of 0.5% to 2.5% expected earlier, amid a weak global economy and sluggish demand among key trade partners like mainland China. A slowdown risks to mainland China's growth outlook are tilted to the downside. Sluggish income growth and excessive leverage among the property developers remain to be addressed. It is expected that the Chinese government will roll out more stimulus policies. The International Monetary Fund recently revised their forecast for global economic growth from an estimated 3.5% in 2022 to 3.0% for 2023 and 2024, reflecting their lack of confidence in a strong economic rebound. Amid the challenging operating environment, the Group and its joint ventures will continue to exercise prudent capital management in their operations.

Additional Information

Interim Dividend

The Directors have resolved not to declare the payment of any interim dividend for the six months ended 30 June 2023 (2022 – HK1 cent per share, approximately HK\$20 million).

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

As at 30 June 2023, the interests or short positions of the Directors and chief executive of the Company in the shares and underlying shares 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"), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on the Stock Exchange (the "Model Code"), were as follows:

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations (Continued)

Interests in shares and underlying shares of the Company and Associated Corporations

Name of Director	Personal interests (held as beneficial owner)	Family interests (interest of spouse)	Corporate interests (interest of controlled corporations)	Other interests	Total interests	Approximate percentage of total interests in the issued shares
Number of ordinary shares of HK\$1.00 each in the Company						
Stephen Riady	–	–	1,477,715,492 <i>Notes (i) and (ii)</i>	–	1,477,715,492	73.95
John Luen Wai Lee	2,000,270	270	–	–	2,000,540	0.10
King Fai Tsui	600,000	75,000	–	–	675,000	0.03
Number of ordinary shares in Lippo Limited ("Lippo")						
Stephen Riady	–	–	369,800,219 <i>Note (i)</i>	–	369,800,219	74.98
John Luen Wai Lee	1,031,250	–	–	–	1,031,250	0.21
Number of ordinary shares in Lippo China Resources Limited ("LCR")						
Stephen Riady	–	–	689,018,438 <i>Notes (i) and (iii)</i>	–	689,018,438	74.99
Min Yen Goh	–	–	–	200,000 <i>Note (iv)</i>	200,000	0.02

Note:

- (i) As at 30 June 2023, Lippo Capital Limited ("Lippo Capital"), an Associated Corporation of the Company, was directly interested in 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo. Lippo Capital was a 60% owned subsidiary of Lippo Capital Holdings Company Limited ("Lippo Capital Holdings"), an Associated Corporation of the Company, which in turn was a wholly-owned subsidiary of Lippo Capital Group Limited ("Lippo Capital Group"), an Associated Corporation of the Company. Dr. Stephen Riady ("Dr. Riady") was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group.
- (ii) As at 30 June 2023, Lippo, through its 100% owned subsidiaries, was indirectly interested in 1,477,715,492 ordinary shares of HK\$1.00 each in, representing approximately 73.95% of the issued shares of, the Company.
- (iii) As at 30 June 2023, Lippo, through its 100% owned subsidiary, was indirectly interested in 689,018,438 ordinary shares in, representing approximately 74.99% of the issued shares of, LCR.
- (iv) As at 30 June 2023, Ms. Min Yen Goh (in the capacity of an executor) was deemed to be interested in 200,000 ordinary shares in, representing approximately 0.02% of the issued shares of, LCR.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations (Continued)

Interests in shares and underlying shares of the Company and Associated Corporations (Continued)

As mentioned in Note (i) above, Dr. Riady was the beneficial owner of one ordinary share in, representing 100% of the issued share capital of, Lippo Capital Group. Through his interest in Lippo Capital Group, Dr. Riady was also interested or taken to be interested (through controlled corporations) in the issued shares of the following Associated Corporations of the Company as at 30 June 2023:

Name of Associated Corporation	Note	Class of shares	Number of shares interested	Approximate percentage of interest in the issued shares
Abital Trading Pte. Limited	(a)	Ordinary shares	2	100
Auric Digital Retail Pte. Ltd. ("Auric Digital")	(b)	Ordinary shares	10	100
Auric Pacific Group Limited ("Auric")	(c)	Ordinary shares	80,618,551	65.48
Bentham Holdings Limited	(d)	Ordinary shares	1	100
Boudry Limited	(a)	Ordinary shares	10	100
	(a)	Non-voting deferred shares	1,000	100
Brimming Fortune Limited	(a)	Ordinary shares	1	100
Broadwell Overseas Holdings Limited	(a)	Ordinary shares	1	100
First Tower Corporation	(e)	Ordinary shares	1	100
Grand Peak Investment Limited	(a)	Ordinary shares	2	100
Greenorth Holdings Limited	(a)	Ordinary shares	1	100
Hennessy Holdings Limited	(e)	Ordinary shares	1	100
HKCL Investments Limited	(a)	Ordinary shares	1	100
International Realty (Singapore) Pte. Limited	(a)	Ordinary shares	2	100
J & S Company Limited	(a)	Ordinary shares	1	100
Lippo Assets (International) Limited	(a)	Ordinary shares	1	100
	(a)	Non-voting deferred shares	15,999,999	100
Lippo Capital	(d)	Ordinary shares	423,414,001	60
Lippo Capital Holdings	(f)	Ordinary shares	1	100
Lippo Finance Limited	(a)	Ordinary shares	6,176,470	82.35
Lippo Investments Limited	(a)	Ordinary shares	2	100
Lippo Realty Limited	(a)	Ordinary shares	2	100
MG Superteam Pte. Ltd.	(a)	Ordinary shares	1	100
Multi-World Builders & Development Corporation	(a)	Ordinary shares	4,080	51
Huge Success Limited	(e)	Ordinary shares	1	100
PT Matahari Department Store Tbk.	(g)	Ordinary shares	1,549,633,796	68.56
Skyscraper Realty Limited	(e)	Ordinary shares	10	100
Superfood Retail Limited ("Superfood")	(h)	Ordinary shares	10,000	100
The HCB General Investment (Singapore) Pte Ltd	(a)	Ordinary shares	100,000	100
Valencia Development Limited	(a)	Ordinary shares	800,000	100
	(a)	Non-voting deferred shares	200,000	100
Winroot Holdings Limited	(a)	Ordinary shares	1	100

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations (Continued)

Interests in shares and underlying shares of the Company and Associated Corporations (Continued)

Note:

- (a) Such share(s) was/were 100% held directly or indirectly by Lippo Capital, a 60% owned indirect subsidiary of Lippo Capital Group.
- (b) Of these shares, 6 ordinary shares were held by Auric Bespoke I Pte. Ltd. ("Auric Bespoke") and 4 ordinary shares were held by OUE Retail Holdings Pte. Ltd. ("OUE Retail"). Auric Bespoke was a wholly-owned subsidiary of Auric Capital Holdings Limited which was owned as to 50% by Edgemont Hill Holdings Limited ("Edgemont"). Edgemont was wholly owned by Dr. Riady. OUE Retail was 100% owned direct subsidiary of OUE Limited ("OUE"). OUE was indirectly owned as to approximately 73.05% by Fortune Crane Limited ("FCL"). The Company, through its 50% joint venture, Lippo ASM Asia Property Limited, held approximately 92.05% interest in FCL. Details of Dr. Riady's interest in the Company are disclosed in Notes (i) and (ii) above.
- (c) Of these shares, 4,999,283 ordinary shares were held by Jeremiah Holdings Limited ("Jeremiah"), a 60% owned indirect subsidiary of LCR; 20,004,000 ordinary shares were held by Nine Heritage Pte Ltd ("Nine Heritage"), an 80% owned direct subsidiary of Jeremiah; 36,165,052 ordinary shares were held by Pantogon Holdings Pte Ltd ("Pantogon"), a 100% owned indirect subsidiary of LCR and 759,000 ordinary shares were held by Max Turbo Limited ("Max Turbo"), a 100% owned indirect subsidiary of LCR. Details of Dr. Riady's interest in LCR are disclosed in Notes (i) and (iii) above. In addition, as at 30 June 2023, 18,691,216 ordinary shares were held by Silver Creek Capital Pte. Ltd. ("Silver Creek"). Dr. Riady, through companies controlled by him, is the beneficial owner of 100% of the issued shares in Silver Creek. Accordingly, Dr. Riady was taken to be interested in an aggregate of 80,618,551 ordinary shares in, representing approximately 65.48% of the issued shares of, Auric.
- (d) Such share(s) was/were held directly by Lippo Capital Holdings which in turn was a direct wholly-owned subsidiary of Lippo Capital Group.
- (e) Such share(s) was/were 100% held directly or indirectly by Lippo. Details of Dr. Riady's interest in Lippo are disclosed in Note (i) above.
- (f) Such share was 100% held directly by Lippo Capital Group.
- (g) Of these shares, 209,992,000 ordinary shares were held by PT Multipolar Tbk. ("PT Multipolar"); 100,000,000 ordinary shares were held by PT Cahaya Investama ("PT Cahaya"); 100,000,000 ordinary shares were held by PT Surya Cipta Investama ("PT Surya"); 100,000,000 ordinary shares were held by PT Reksa Puspita Karya ("PT Reksa"); 960,021,796 ordinary shares were held by Auric Digital and 79,620,000 ordinary shares were held by OUE Investments Pte. Ltd., a 100% owned direct subsidiary of OUE. PT Cahaya and PT Reksa were owned as to 99.99% by PT Multipolar. PT Multipolar was owned as to 42.03% by PT Inti Anugerah Pratama which in turn was owned as to 40% by Fullerton Capital Limited ("Fullerton"). Dr. Riady, through a company controlled by him, is the beneficial owner of 100% of the issued shares in Fullerton. Details of Dr. Riady's interest in Auric Digital and OUE are disclosed in Note (b) above.
- (h) Of these shares, 1,625 ordinary shares were held by Nine Heritage; 2,937 ordinary shares were held by Pantogon; 406 ordinary shares were held by Jeremiah; 62 ordinary shares were held by Max Turbo and 4,970 ordinary shares were held by Oddish Ventures Pte. Ltd., a 100% owned indirect subsidiary of OUE. Accordingly, Dr. Riady was taken to be interested in an aggregate of 10,000 ordinary shares in, representing 100% of the issued shares of, Superfood. Details of Dr. Riady's interest in the Company and LCR are disclosed in Notes (i) to (iii) above.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations (Continued)

Interests in shares and underlying shares of the Company and Associated Corporations (Continued)

As at 30 June 2023, none of the Directors or chief executive of the Company had any interests in the underlying shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its Associated Corporations.

All the interests stated above represented long positions. Save as disclosed herein, as at 30 June 2023, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its Associated Corporations which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 30 June 2023, none of the Directors or chief executive of the Company nor their spouses or minor children (natural or adopted) were granted or had exercised any rights to subscribe for any equity or debt securities of the Company or any of its Associated Corporations.

Updated Directors' Information

The following are the updated information of the Directors of the Company disclosed pursuant to rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

1. The director's fee paid to each of the Directors was adjusted from HK\$21,500 per month to HK\$22,100 per month with effect from 1 April 2023.
2. The fees paid to the non-executive Directors for serving as the Chairmen and members of various board committees of the Company were adjusted from HK\$7,100 per month to HK\$7,300 per month and from HK\$4,600 per month to HK\$4,700 per month respectively with effect from 1 April 2023.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2023, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Interests and Short Positions of Shareholders Discloseable under the Securities and Futures Ordinance

As at 30 June 2023, so far as is known to the Directors of the Company, the following persons (other than the Directors or chief executive of the Company) had interests or short positions 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 Securities and Futures Ordinance (the "SFO") as follows:

Interests of substantial shareholders in shares of the Company

Name of substantial shareholder	Number of ordinary shares	Approximate percentage of the issued shares
Hennessy Holdings Limited ("Hennessy")	1,477,715,492	73.95
Huge Success Limited ("Huge Success")	1,477,715,492	73.95
Lippo Limited ("Lippo")	1,477,715,492	73.95
Lippo Capital Limited ("Lippo Capital")	1,477,715,492	73.95
Lippo Capital Holdings Company Limited ("Lippo Capital Holdings")	1,477,715,492	73.95
Lippo Capital Group Limited ("Lippo Capital Group")	1,477,715,492	73.95
Madam Shincee Leonardi	1,477,715,492	73.95
PT Trijaya Utama Mandiri ("PT TUM")	1,477,715,492	73.95
Mr. James Tjahaja Riady	1,477,715,492	73.95
Madam Aileen Hambali	1,477,715,492	73.95

Note:

- Hennessy, the immediate holding company of the Company, as beneficial owner, directly held 1,477,715,492 ordinary shares in, representing approximately 73.95% of the issued shares of, the Company.
- Hennessy was wholly owned by Huge Success which in turn was wholly owned by Lippo.
- Lippo Capital was directly interested in 369,800,219 ordinary shares in, representing approximately 74.98% of the issued shares of, Lippo.
- Lippo Capital Holdings owned 60% of the issued shares in Lippo Capital. Lippo Capital Group owned 100% of the issued share capital of Lippo Capital Holdings. Dr. Stephen Riady was the beneficial owner of 100% of the issued share capital of Lippo Capital Group. Madam Shincee Leonardi is the spouse of Dr. Stephen Riady.
- PT TUM owned the remaining 40% of the issued shares in Lippo Capital. PT TUM was wholly owned by Mr. James Tjahaja Riady who is a brother of Dr. Stephen Riady. Madam Aileen Hambali is the spouse of Mr. James Tjahaja Riady.
- Hennessy's interests in the ordinary shares of the Company were recorded as the interests of Huge Success, Lippo, Lippo Capital, Lippo Capital Holdings, Lippo Capital Group, Madam Shincee Leonardi, PT TUM, Mr. James Tjahaja Riady and Madam Aileen Hambali. The above 1,477,715,492 ordinary shares in the Company related to the same block of shares that Dr. Stephen Riady was interested, details of which are disclosed in the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and associated corporations".

All the interests stated above represented long positions. Save as disclosed herein, as at 30 June 2023, none of the substantial shareholders or other persons (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

Disclosure pursuant to rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

The Group has granted financial assistance to Fortune Crane Limited (“FCL”), a subsidiary of Lippo ASM Asia Property Limited which in turn is a principal joint venture of the Company. The relevant advances disclosed pursuant to rule 13.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and remained outstanding as at 30 June 2023 were granted under the following loan agreements:

- (i) a loan agreement dated 29 May 2015 between FCL and Pacific Landmark Holdings Limited (“PLH”), a then subsidiary of the Company, pursuant to which PLH agreed to advance a loan of S\$53,920,839.43 (the “Loan”) to FCL;
- (ii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$7,000,000 (the “Interim Loan”) to FCL;
- (iii) a loan agreement dated 28 August 2015 between FCL and PLH pursuant to which PLH agreed to advance a further loan of S\$100,000,000 (the “Further Loan”) to FCL;
- (iv) a loan agreement dated 12 October 2015 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of S\$2,000,000 (the “Second Interim Loan”) to FCL;
- (v) a loan agreement dated 30 November 2015 between FCL and PLH pursuant to which PLH agreed to make available a new loan facility of S\$38,000,000 (the “New Loan”) to FCL;
- (vi) a loan agreement dated 19 July 2016 between FCL and PLH pursuant to which PLH agreed to make available a loan facility of approximately S\$14,959,000 (the “July 2016 Loan”) to FCL; and
- (vii) a loan agreement dated 20 October 2016 between FCL and Polar Step Limited (“PSL”), a subsidiary of the Company, pursuant to which PSL agreed to make available a loan facility in the maximum principal amount of S\$155,000,000 (the “October 2016 Facility”) to FCL. The October 2016 Facility was first drawn on 4 January 2017 (the “October 2016 Facility Drawdown Date”) and is unsecured, subject to an interest rate of 2.25% per annum and repayable on demand.

In addition, an unsecured loan of approximately S\$10,314,000 (the “June 2013 Loan”) was advanced by PLH to FCL on 20 June 2013.

On 20 October 2016, PLH assigned all of its rights, interests, benefits and title in the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan to PSL. Pursuant to an amended and restated loan agreement dated 20 October 2016 between, inter alia, PSL and FCL, with effect from the October 2016 Facility Drawdown Date, the interest rate of each of the June 2013 Loan, the Loan, the Further Loan and the July 2016 Loan was amended from 6.5% per annum to 2.25% per annum and the repayment date was amended to repayable on demand.

Disclosure pursuant to rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Continued)

On 4 January 2017, PLH assigned all of its rights, interests, benefits and title in the Interim Loan, the Second Interim Loan and the New Loan to PSL. Pursuant to an amended and restated loan agreement dated 4 January 2017 between, inter alia, PSL and FCL (which was replaced by a second amended and restated loan agreement dated 4 January 2021), with effect from 4 January 2017, the interest rate of each of the Interim Loan, the Second Interim Loan and the New Loan was amended from 6.5% per annum to 2.25% per annum and such loans will be repayable on demand.

FCL prepaid PSL S\$6,423,108.11 (the "Prepaid Loan") out of the Interim Loan in December 2020 and reborrowed the Prepaid Loan in January 2021 pursuant to a consent letter dated 20 December 2020 between, inter alia, PSL and FCL.

All the above advances to FCL are unsecured. As at 30 June 2023, the outstanding balance of the above advances amounted to approximately S\$380,420,000 (equivalent to approximately HK\$2,204,344,000).

Audit Committee

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise two independent non-executive Directors, namely Mr. King Fai Tsui (Chairman) and Mr. Edwin Neo and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2023.

Corporate Governance

The Company is committed to ensuring high standards of corporate governance practices. The Board of Directors of the Company (the "Board") believes that good corporate governance practices are increasingly important for maintaining and promoting investor confidence. Corporate governance requirements keep changing, therefore the Board reviews its corporate governance practices from time to time to ensure they meet public and shareholders' expectation, comply with legal and professional standards and reflect the latest local and international developments. The Board will continue to commit itself to achieving a high quality of corporate governance so as to safeguard the interests of shareholders and enhance shareholder value.

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the six months ended 30 June 2023.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as the code for securities transactions by Directors. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code during the period under review.

By Order of the Board
Hongkong Chinese Limited
John Luen Wai Lee
Chief Executive Officer

Hong Kong, 30 August 2023

Supplementary Financial Information

Disclosure pursuant to rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Set out below is a pro forma combined statement of financial position of the Group's affiliates as at 30 June 2023 (being the latest practicable date for determining the relevant figures) required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:

	HK\$'000
Pro forma combined statement of financial position	
Intangible assets	1,293,694
Fixed assets	4,327,440
Investment properties	31,302,631
Right-of-use assets	269,143
Interests in equity-accounted investees	8,948,421
Properties held for sale	351,192
Financial assets at fair value through other comprehensive income	916,335
Financial assets at fair value through profit or loss	43,714
Debtors, prepayments and other assets	1,339,192
Cash and cash equivalents	2,028,039
Other net assets	121,418
Bank and other borrowings	(18,351,519)
Lease liabilities	(255,131)
Creditors, accruals and other liabilities	(1,904,497)
Tax payable	(563,945)
Shareholders' advance	(3,300,357)
Deferred tax liabilities	(722,026)
Non-controlling interests	(17,178,336)
	8,665,408
Group's attributable interest (<i>Note</i>)	10,638,767

Note: The Group's attributable interest represents that portion attributable to the Group before non-controlling interests included therein.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Stephen Riady (*Chairman*)
Mr. John Luen Wai Lee, BBS, JP
(*Chief Executive Officer*)
Mr. Brian Riady

Non-executive Director

Mr. Leon Nim Leung Chan

Independent non-executive Directors

Mr. King Fai Tsui
Mr. Edwin Neo
Ms. Min Yen Goh

COMMITTEES

Audit Committee

Mr. King Fai Tsui (*Chairman*)
Mr. Leon Nim Leung Chan
Mr. Edwin Neo

Remuneration Committee

Mr. King Fai Tsui (*Chairman*)
Dr. Stephen Riady
Mr. Leon Nim Leung Chan
Mr. Edwin Neo
Ms. Min Yen Goh

Nomination Committee

Mr. King Fai Tsui (*Chairman*)
Dr. Stephen Riady
Mr. Leon Nim Leung Chan
Mr. Edwin Neo
Ms. Min Yen Goh

SECRETARY

Ms. Millie Yuen Fun Luk

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China CITIC Bank International Limited

SOLICITORS

Howse Williams

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

40th Floor, Tower Two
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89 Queensway
Hong Kong

STOCK CODE

655

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