



NEW CITY DEVELOPMENT GROUP LIMITED

新城市建設發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

2024

INTERIM REPORT



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INTERIM RESULTS

The Board of Directors (the “Board”) of New City Development Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024 (the “Period”) with the comparative figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	5	56,461	90,483
Cost of goods sold and services provided		<u>(22,357)</u>	<u>(48,575)</u>
Gross profit		34,104	41,908
Other income	6	6,378	6,719
Administrative and other operating expenses		<u>(46,861)</u>	<u>(43,659)</u>
Profit from operations		(6,379)	4,968
Finance costs	7	<u>(5,361)</u>	<u>(12,994)</u>
Loss before tax		(11,740)	(8,026)
Income tax expenses	8	<u>—</u>	<u>—</u>
Loss for the Period	9	<u>(11,740)</u>	<u>(8,026)</u>
Attributable to:			
Owners of the Company		(10,727)	(8,655)
Non-controlling interests		<u>(1,013)</u>	<u>629</u>
		<u>(11,740)</u>	<u>(8,026)</u>
Loss per share			
Basic	11(a)	<u>(10.01) cents</u>	<u>(9.27) cents</u>
Diluted	11(b)	<u>(10.01) cents</u>	<u>(9.27) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the Period	(11,740)	(8,026)
Other comprehensive income for the Period, net of tax:		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>(49,835)</u>	<u>(7,563)</u>
Total comprehensive income for the Period	<u>(61,575)</u>	<u>(15,589)</u>
Attributable to:		
Owners of the Company	(45,199)	(15,167)
Non-controlling interests	<u>(16,376)</u>	<u>(422)</u>
	<u>(61,575)</u>	<u>(15,589)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	12	75,383	79,890
Investment properties	13	647,106	661,819
Intangible assets		2,746	3,274
Right-of-use assets		–	13
Deferred tax assets		39,723	39,723
		<u>764,958</u>	<u>784,719</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss ("FVTPL")	15	29,021	27,281
Inventories		1,631	2,250
Properties under development and held for sale		467,070	478,088
Prepayments, deposits and other receivables	14	419,324	426,080
Due from associates		14	14
Due from a related company		14	14
Due from non-controlling shareholders		166	166
Cash and bank balances		9,518	9,541
		<u>926,758</u>	<u>943,434</u>
CURRENT LIABILITIES			
Accruals and other payables		39,196	56,840
Deposits received		14,973	19,309
Borrowings	16	129,981	255,953
Lease liabilities		17	57
Due to a non-controlling shareholder		3,125	3,086
Due to related parties		81,693	53,872
Due to a director		10,881	6,624
		<u>279,866</u>	<u>395,741</u>

		30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
	<i>Notes</i>		
NET CURRENT ASSETS		646,892	547,693
TOTAL ASSETS LESS CURRENT LIABILITIES		1,411,850	1,332,412
NON-CURRENT LIABILITIES			
Accruals and other payables		390,678	363,957
Borrowings	16	552,266	444,461
Lease liabilities		55	55
Deferred tax liabilities		158,700	152,213
		1,101,699	960,686
NET ASSETS		310,151	371,726
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	23,449	23,449
Reserves		337,412	382,611
		360,861	406,060
Non-controlling interests		(50,710)	(34,334)
TOTAL EQUITY		310,151	371,726

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Translation reserve	Fair value reserve	Statutory reserve	Retained profits	Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	17,309	585,887	4,755	(98,591)	(9,350)	18,604	25,575	544,188	523,212
Restated balance at 1 January 2023	17,309	585,887	4,755	(98,591)	(9,350)	18,604	25,575	544,188	523,212
Total comprehensive income for the Period	-	-	-	(6,511)	-	-	(8,655)	(15,166)	(15,586)
At 30 June 2023	17,309	585,887	4,755	(105,102)	(9,350)	18,604	16,920	529,022	507,626
At 1 January 2024 (audited)	23,449	600,011	4,755	(112,134)	(28,254)	18,604	(100,371)	406,060	371,726
Restated balance at 1 January 2024	23,449	600,011	4,755	(112,134)	(28,254)	18,604	(100,371)	406,060	371,726
Total comprehensive income for the Period	-	-	-	(34,472)	-	-	(10,727)	(45,199)	(61,575)
At 30 June 2024	23,449	600,011	4,755	(146,606)	(28,254)	18,604	(111,098)	360,861	310,151

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	57,842	118,779
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(477)	(190)
Interest received	11	–
NET CASH USED IN INVESTING ACTIVITIES	(466)	(190)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,710)	(860)
Principal elements of lease payment	(40)	–
Loans from bank	–	(8,500)
Interest paid	(16,686)	(20,000)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(19,436)	(29,360)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,939	89,229
CASH AND CASH EQUIVALENTS AT 1 JANUARY	9,541	15,094
Effect of foreign exchange rate changes	(37,962)	(96,221)
CASH AND CASH EQUIVALENTS AT 30 JUNE	9,518	8,102
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,518	8,102

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. CORPORATION INFORMATION

New City Development Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 10 August 1998. The registered office of the Company is located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands and its principal place of business in Hong Kong is situated at Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Group are principally engaged in property development and investment in the PRC; and operation of supermarket retail.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the “Condensed Consolidated Financial Statements”) have not been audited or reviewed by the Company’s auditor but reviewed by the Audit Committee and approved for issue by the Board on 30 August 2024.

2. BASIS OF PREPARATION

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Condensed Consolidated Financial Statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in property development and investment in PRC and operation of supermarket retail. Accordingly, there are two reportable segments of the Group.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those accounting policies of the Group to the consolidated financial statements. Segment profits or losses do not include unallocated other income, other gains and losses, administrative and other operating expenses, impairment losses on deposits and other receivables, loss on derecognition of financial assets at FVTPL, impairment loss on intangible assets and finance costs. Segment assets do not include unallocated property, plant and equipment, intangible assets, right-of-use assets, financial assets at FVTOCI, deferred tax assets, financial assets at FVTPL, prepayments, deposits and other receivables, amounts due from an associate, a related company and non-controlling shareholders, and cash and bank balances. Segment liabilities do not include unallocated accruals and other payables, lease liabilities, amounts due to non-controlling shareholders, related parties and a director, promissory notes and deferred tax liabilities.

Information about reportable segment profit or loss, assets and liabilities:

	Property development and investment (Unaudited) <i>HK\$'000</i>	Operation of supermarket retail and related (Unaudited) <i>HK\$'000</i>	Total (Unaudited) <i>HK\$'000</i>
Six months ended 30 June 2024			
Revenue from external customers	30,065	26,396	56,461
Segment profit	15,732	18,372	34,104
As at 30 June 2024			
Segment assets	1,114,176	4,377	1,118,553
Segment liabilities	744,130	25	744,155
Six months ended 30 June 2023			
Revenue from external customers	26,286	64,197	90,483
Segment profit	21,354	20,554	41,908
As at 31 December 2023	(Audited)	(Audited)	(Audited)
Segment assets	1,136,633	5,524	1,142,157
Segment liabilities	820,836	23,045	843,881

Reconciliations of segment profit or loss:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit or loss		
Total profit of reportable segments	34,104	41,908
Other income	6,378	6,719
Administrative and other operating expenses	(46,861)	(43,659)
Finance costs	(5,361)	(12,994)
	<u>(11,740)</u>	<u>(8,026)</u>
Consolidated loss before tax	<u>(11,740)</u>	<u>(8,026)</u>

Reconciliations of segment assets or liabilities:

	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Assets		
Total assets of reportable segments	1,115,807	1,142,157
Property, plant and equipment	75,383	79,890
Intangible assets	2,746	3,274
Right-of-use assets	–	13
Deferred tax assets	39,723	39,723
Financial assets at FVTPL	29,021	27,281
Prepayments, deposits and other receivables	419,324	426,080
Due from associates	14	14
Due from a related company	14	14
Due from non-controlling shareholders	166	166
Cash and bank balances	9,518	9,541
	<u>1,691,716</u>	<u>1,728,153</u>
Consolidated total assets	<u>1,691,716</u>	<u>1,728,153</u>

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Liabilities		
Total liabilities of reportable segments	14,973	19,309
Accruals and other payables	429,874	420,797
Borrowings	682,247	700,414
Lease liabilities	72	112
Due to non-controlling shareholders	3,125	3,086
Due to related parties	81,693	53,872
Due to a director	10,881	6,624
Deferred tax liabilities	158,700	152,213
	<hr/>	<hr/>
Consolidated total liabilities	1,381,565	1,356,427
	<hr/> <hr/>	<hr/> <hr/>

Geographical information

The Group's revenue from external customers by location of operations are detailed below:

	Six months ended 30 June 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
PRC	56,461	90,483
Hong Kong	—	—
	<hr/>	<hr/>
Consolidated total revenue	56,461	90,483
	<hr/> <hr/>	<hr/> <hr/>

Over 90% of the Group's non-current assets (excluding intangible assets, right-of-use assets, investments in associates, financial assets at FVTOCI, prepayments, deposits and other receivables and deferred tax assets) are located in the PRC. Accordingly, no further geographical information of non-current assets is required to be disclosed.

5. REVENUE

An analysis of the Group's revenue for the Period is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Services transferred over time		
Rental income and related management service income	30,065	26,059
Products transferred at a point in time		
Sales from operation of supermarket retail in Mainland China	26,396	64,424
	56,461	90,483

6. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	19	2,270
Others	6,359	4,449
	6,378	6,719

7. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	5,356	12,994
Interest on leases liabilities	5	—
	<u>5,361</u>	<u>12,994</u>

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
PRC	—	—
	<u>—</u>	<u>—</u>

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2024 and 2023.

Taxes on profits in respect of the Group's companies operating elsewhere have been calculated at the rates of tax prevailing in the respective tax countries/jurisdictions in which they operate based on existing legislation, interpretations and practices in respect thereof.

9. LOSS FOR THE PERIOD

The Group's loss for the Period has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	1,833	4,522
Depreciation of right-of-use assets	3,141	3,720
Fair value gain/(loss) on financial assets at FVTPL	(3,235)	(2,161)
	<u>1,739</u>	<u>6,081</u>

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2023: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss		
Loss attributable to owner of the Company used in the basic loss per share calculation	(10,727)	(8,655)
	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares used in the basic loss per share calculation	117,245,044	86,543,290

(b) Diluted loss per share

No adjustment has been made to the basic loss per share for six months ended 30 June 2024 in respect of a dilution because there were no potentially dilutive events existed (2023: Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately HK\$75,383,000 (2023: approximately HK\$79,890,000).

13. INVESTMENT PROPERTIES

	Properties at fair value (Unaudited) HK\$'000	Properties at cost (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Completed project			
Carrying amount at 1 January 2024	594,229	–	594,229
Exchange realignment	(13,217)	–	(13,217)
Carrying amount at 30 June 2024	581,012	–	581,012
Incomplete project			
Carrying amount at 1 January 2024	–	67,590	67,590
Exchange realignment	–	(1,496)	(1,496)
Carrying amount at 30 June 2024	–	66,094	66,094
Aggregate carrying amount			
Investment properties in Guangzhou (note (a) and note (b))	581,012	–	581,012
Investment properties in Luoyang (note (c))	–	66,094	66,094
At 30 June 2024	581,012	66,094	647,106
Investment properties in Guangzhou (note (a) and note (b))	594,229	–	594,229
Investment properties in Luoyang (note (c))	–	67,590	67,590
At 31 December 2023 (audited)	594,229	67,590	661,819

Notes:

- (a) Investment properties in Guangzhou (the “Guangzhou Properties 1”) are situated at Nos. 20-22 Chigang West Road, Haizhu District, Guangzhou City, Guangdong Province, the PRC and are held under medium term leases. The Guangzhou Properties 1 were leased to tenants under operating leases for earning rental income and management service income and were stated at fair value at the end of the reporting period.

At 30 June 2024, the Guangzhou Properties 1 with carrying amount of approximately HK\$647,106,000 (31 December 2023: HK\$661,819,000) were pledged to secure bank borrowings, details of which are set out in note 16 to the Unaudited Condensed Consolidated Financial Statements.

Fair value hierarchy

As at 30 June 2024 and 31 December 2023, the fair value measurement of the Guangzhou Properties 1 was using Level 3 – significant unobservable input.

There were no transfers in the fair value hierarchy between Level 1 and Level 2, or transfers into or out of Level 3.

Fair value measurement

The Guangzhou Properties 1 are held for the purpose of generating rental income and/or for capital appreciation. The directors considered that the adoption of the income approach is appropriate in accessing the fair value of the Guangzhou Properties 1. Accordingly, the fair value of the Guangzhou Properties 1 was determined based on the income approach.

Information about the Level 3 fair value measurement is as follows:

Description	Fair value		Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	30 June	31 December			
	2024 (Unaudited) HK\$'000	2023 (Audited) HK\$'000			
Investment properties	581,012	594,229	Income approach	Estimated rental income (per square metre and per month) with a range from RMB55 to RMB80	The higher the rental income, the higher the fair value
				Discount rate at 4.5%	The higher the discount rate, the lower the fair value

There was no change in the valuation techniques used.

- (b) Investment properties in Guangzhou (the “Guangzhou Properties 2”) are situated at Nos. 186-256 Niuzachengheng Road, Xintang Town, Zengcheng District, Guangzhou City, Guangdong Province, the PRC and are held under medium term leases. The Guangzhou Properties 2 were leased to tenants under operating leases for earning rental income and management service income and were stated at fair value at the end of the reporting period.

At 30 June 2024, the Guangzhou Properties 2 with carrying amount of approximately HK\$581,012,000 (31 December 2023: HK\$594,229,000) were pledged to secure bank borrowings, details of which are set out in note 16 to the Unaudited Condensed Consolidated Financial Statements.

Fair value hierarchy

As at 30 June 2024 and 31 December 2023, the fair value measurement of the Guangzhou Properties 2 was using Level 3 – significant unobservable input.

There were no transfers in the fair value hierarchy between Level 1 and Level 2, or transfers into or out of Level 3.

Fair value measurement

The Guangzhou Properties 2 are held for the purpose of generating rental income and/or for capital appreciation. The directors considered that the adoption of the direct comparison approach is appropriate in accessing the fair value of the Guangzhou Properties 2. Accordingly, the fair value of the Guangzhou Properties 2 was determined based on the direct comparison approach.

Information about the Level 3 fair value measurement is as follows:

Description	Fair value		Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
	30 June	31 December			
	2024 (Unaudited) HK\$'000	2023 (Audited) HK\$'000			
Investment properties	66,094	67,590	Direct comparison approach	Adjusted market value (RMB7,583–12,000 per square metre)	The higher the market unit rate, the higher the fair value

There was no change in the valuation techniques used.

- (c) Investment properties in Luoyang (the “Luoyang Properties”) represented a parcel of land under construction which are situated at east of Huanhu Road, south of Baita Road, west of Kaituodadao Road, and north of land boundary, Yibin District, Luoyang New Area, Luoyang, Henan, PRC. The Luoyang Properties were acquired through the acquisition of the subsidiaries during the year ended 31 December 2015. The Luoyang Properties comprise a parcel of land held under medium term leases with a site area of 69,942.185 square metres which can be developed into a total gross floor area of 173,724.12 square metres. Its carrying amount comprised the land use right and directly attributable costs and was stated at acquisition cost of approximately RMB61,782,000 (equivalent to HK\$66,094,000 (31 December 2023: HK\$67,590,000)), and less impairment, if any.

Pursuant to a land use right agreement (國有建設用地使用權出讓合同) of the Luoyang Properties, which was entered into between Luoyang Wan Heng Property Company Limited (洛陽萬亨置業有限公司) (“Luoyang Wan Heng”), a subsidiary of the Company and 洛陽國土資源局 (“洛陽國土局”) on 1 February 2013, Luoyang Wan Heng is required to commence and complete the construction of the Luoyang Properties on or before 1 September 2013 and 1 September 2016 (the “Construction Period”), respectively. A penalty is calculated at 0.1% per day on the original consideration paid by Luoyang Wan Heng for the land use right, which was approximately RMB31,270,000 (equivalent to approximately HK\$34,460,000) (the “Penalty”), will be imposed by 洛陽國土局 if the construction of the Luoyang Properties was not commenced on time or the completion of the construction falls beyond the Construction Period. The land use right may also be forfeited (the “Forfeiture”) by 洛陽國土局 if the construction has not been completed beyond 60 days of the Construction Period.

On 17 November 2016, the Group received a notice from 洛陽市城鄉一體化示範區管理委員會國土環保局, pursuant to which, the Group is required to commence the construction of the Luoyang Properties within 15 days after the date of the notice unless the Group has a reasonable excuse. The Group replied and expected to have the construction work commenced in June 2017. On 26 June 2017, the Group received a 閒置土地調查通知書 from 洛陽國土局, pursuant to which, the Group is required to report the construction progress of the Luoyang Properties to 洛陽國土局.

On 26 July 2017, the Group replied and explained that the delay of the construction of the Luoyang Properties was due to the changing of land policy by the Luoyang government. The Group expected to commence work at the end of 2017.

On 5 December 2017, the Group submitted a construction plan of the Luoyang Properties to 洛陽市城鄉規劃局 (“洛陽規劃局”). After reviewed by 洛陽規劃局, the Group was instructed to modify certain aspects of the construction plan. On 23 June 2018, the Group has been further instructed by 洛陽新區中央商務區規劃建設辦公室 to submit a revised construction plan to 洛陽市城鄉一體化示範區商務中心區辦公室 for approval and the document was submitted on 17 July 2018.

In preparing these consolidated financial statements, the directors had sought legal advice from a PRC lawyer and are of the opinion that the delay of the construction of the Luoyang Properties was caused by the continued changing of land policy by the Luoyang government in the prior years. Given the Group is proactively communicating with 洛陽規劃局 on the modification of construction plan of the Luoyang Properties, the risk of the Penalty or the loss on the Forfeiture is remote. Accordingly, the directors are of the opinion that no provision in respect of the Penalty and/or the Forfeiture, if any, has been made in the consolidated financial statements as at 30 June 2023.

At 30 June 2024, the Luoyang Properties with carrying amount of approximately HK\$66,094,000 were pledged to secure bank borrowings, details of which are set out in note 16 to the Unaudited Condensed Consolidated Financial Statements.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Prepayments		
– Prepaid for the Luoyang Properties (<i>note (a)</i>)	6,746	6,889
– Prepaid for the Zhuhai Properties (<i>note (b)</i>)	307,419	315,618
– Others	56,888	26,566
	371,053	349,073
Deposits held by		
– 新澳中世紀國際貿易(北京)有限公司 (<i>note (c)</i>)	20,993	21,072
Other receivables		
– Others (<i>note (d)</i>)	56,856	85,513
	448,902	455,658
Less: Allowance for doubtful debts	(29,578)	(29,578)
	419,324	426,080
Current portion	419,324	426,080

Notes:

- (a) As at 30 June 2024, an aggregate amount of approximately RMB6,305,000 (equivalent to approximately HK\$6,746,000) (31 December 2023: RMB6,322,000 (equivalent to approximately HK\$6,889,000)) has been prepaid by the Group to the construction of Luoyang Properties.
- (b) As at 30 June 2024, an aggregate amount of approximately RMB287,361,000 (equivalent to approximately HK\$307,419,000) (31 December 2023: RMB288,087,000 (equivalent to approximately HK\$315,168,000)) has been prepaid by the Group to the construction of Zhuhai Properties.
- (c) Additional deposits of HK\$20,000,000 has been paid to 新澳中世紀國際貿易(北京)有限公司 as escrow monies for the due diligence exercise on the exploration of project investment opportunity in the near future.
- (d) Included in the other receivables, there were:

“Approximately HK\$20,000,000 has been paid for the project development for the “New Life, New Day, New City” theme concept. The amount would be refundable if the project does not proceed.”

“Approximately HK\$30,000,000 has been paid for the renovation of 暢流 project. The amount would be refundable if the project does not proceed.”

15. FINANCIAL ASSETS AT FVTPL

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Listed equity investment, at market value in Taiwan	<u>29,021</u>	<u>27,281</u>

The fair value of the equity investment as of 30 June 2024 was determined based on the quoted market bid price (level 1 fair value measurement) available on The Taiwan Stock Exchange.

16. BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Bank loan 1 (note (a))	7.153%	2025	393,080	402,518
Bank loan 2 (note (b))	6.300%	2028	28,136	28,772
Bank loan 3 (note (c))	6.500%	2034	<u>261,031</u>	<u>269,124</u>
			<u>682,247</u>	<u>700,414</u>
Analysed into:				
Repayable:				
Within one year or on demand			129,981	225,953
In the second to fifth years, inclusive			406,773	295,677
Over five years			<u>145,493</u>	<u>148,784</u>
Total			682,247	700,414
Less: Non-current portion			<u>552,266</u>	<u>444,461</u>
Current portion			<u>129,981</u>	<u>255,953</u>

Notes:

- (a) On 9 October 2020, Zhuhai Teng Shun entered into a loan agreement with Bank of Guangzhou Co., Ltd. (“GZBANK”), pursuant to which, GZBANK agreed to grant a loan (the “GZBANK Loan”) in the amount of RMB98,932,000 (equivalent to HK\$109,023,000) and RMB80,000,000 (equivalent to HK\$88,160,000) on 12 November 2020 and 8 December 2020 respectively to Zhuhai Teng Shun for a term of 5 years, which is secured by legal charges over the Luoyang Properties, Zhuhai Properties and entire issued share capital of Zhuhai Teng Shun and Luoyang Wan Heng, corporate guarantee provided by Guangdong Changliu, Guangdong Changyang Investment Company Limited* (廣東暢揚投資股份有限公司) (“Guangdong Changyang”) and non-controlling shareholders, personal guarantee provided by Mr. Han and a legal representative of a subsidiary and a key management personnel of a related company. The GZBANK Loan bears interest rate from 7.0332% to 7.153%, 3.65% of the benchmark annual lending and deposit rate of the People’s Bank of China, which is repayable on a monthly basis. The principal amount of the GZBANK Loan is repayable by instalments starting from 24th month from the first withdrawal date or the 6th month after the project obtains the first time presale certificate, which is earlier, and will mature on 12 November 2025.

On 20 February 2021, subject to the terms of the above mentioned loan agreement with GZBANK, GZBANK granted a further loan in the amount of RMB80,000,000 (equivalent to approximately HK\$88,160,000) to Zhuhai Teng Shun for a term of 49 months. The principal amount of the GZBANK Loan is repayable once on the maturity date and will mature on 20 March 2025.

On 20 May 2021, subject to the terms of the above mentioned loan agreement with GZBANK, GZBANK granted a further loan in the amount of RMB160,000,000 (equivalent to approximately HK\$195,920,000) to Zhuhai Teng Shun for a term of 48 months. The principal amount of the GZBANK Loan is repayable once on the maturity date and will mature on 19 May 2025.

- (b) On 19 June 2021, Guangdong Changyang entered into a loan agreement with Guangzhou Rural Commercial Bank (“GZRCBANK”), pursuant to which, GZRCBANK agreed to grant a loan (the “GZRCBANK Loan”) in the amount of RMB36,000,000 (equivalent to HK\$39,672,000) (2022: HK\$40,748,400) to Guangdong Changyang for a term of 84 months, which is secured by legal charges over the Guangzhou Properties 2, legal charges over the 100% equity interests in 廣州優暢, a 80%-owned subsidiary of Guangdong Changyang, and guarantee provided by Guangdong Changliu, 廣州優暢, 廣州市聯瑋物業管理有限公司 (“廣州聯瑋”), a 80%-owned subsidiary of Guangdong Changyang, and personal guarantee provided by Mr. Han. The GZRCBANK Loan bears interest at 6.300%, 135% of the benchmark annual lending and deposit rate of the People’s Bank of China, which is repayable on a monthly basis. The principal amount of the GZRCBANK Loan is repayable by 84 instalments starting from 19 June 2021 and will mature on 18 June 2028.
- (c) On 21 June 2022, Guangdong Changliu entered into a loan agreement with Guangzhou Rural Commercial Bank (“GZRCBANK”), and GZRCBANK agreed to grant a loan (the “GZRCBANK Loan”) in the amount of RMB320,000,000 (equivalent to HK\$352,640,000) (2022: HK\$371,680,000) to Guangdong Changliu for a period of 12 years. The loan is secured by the property of Guangdong Changliu and personally guaranteed by Mr. Han. Interest on the loan is calculated at 155 basis points, based on the 5-year loan prime rate of the last business day prior to the signing of the contract by the last signatory, which is repayable on a quarterly basis. The principal amount of the GZRCBANK Loan is repayable in instalments starting from the first loan received and will mature on 20 June 2034.

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.004 each		
At 1 January 2023, 31 December 2023 and 1 January 2024 (audited)	10,000,000,000	40,000
Share consolidation (<i>note (a)</i>)	<u>(9,800,000,000)</u>	<u>—</u>
Ordinary shares of HK\$0.20 each		
At 30 June 2024 (unaudited)	<u>200,000,000</u>	<u>40,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.004 each		
At 1 January 2023, 31 December 2023 and 1 January 2024 (audited)	4,327,164,504	17,309
Share consolidation (<i>note (a)</i>)	<u>(4,240,621,214)</u>	<u>—</u>
Ordinary shares of HK\$0.20 each		
At 31 December 2022, and 1 January 2023	86,543,290	17,309
Issuance of new shares (<i>note (b)</i>)	30,701,754	6,140
At 31 December 2023 and 1 January 2024 (audited)	117,245,044	23,449
At 30 June 2024 (unaudited)	<u>117,245,044</u>	<u>23,449</u>

Notes:

(a) Capital reorganization

Pursuant to the extraordinary general meeting of the Company passed on 6 April 2022 and the approval granted by the Listing Committee of the Hong Kong Stock Exchange, the capital reorganization set out below became effective on 8 April 2022:

Every fifty (50) issued and unissued shares of par value of HK\$0.004 each of the Company be consolidated into one (1) consolidated share of par value of HK\$0.20 in the capital of the Company.

- (b) Pursuant to the extraordinary general meeting of the Company passed on 3 November 2023, 30,701,754 new shares had been issued on the same date with a consideration of HK\$0.66 per share (approximately total HK\$20,264,000) to settle the amount due to a director which amounted to approximately HK\$17,500,000. The related loss of approximately HK\$2,764,000 was recognised in the profit or loss during the year ended 31 December 2023.

18. CONTINGENT LIABILITIES

The subsidiaries of the Group, Guangdong Changyang and Guangdong Changliu, were the defendants in a legal action involved in claim on breach of contract in relation to the acquisition of the entire equity interest for Guangzhou Lianwei Property Limited and Guangzhou Youchang Business Management Limited. The first decision has been made by 廣州市增城區人民法院 (Guangzhou Zengcheng People's Court*) on 28 September 2023 that the Group has been adjudicated to pay the plaintiffs a total sum of RMB5.79 million plus interest and related costs, Guangzhou Lianwei Property Limited and Guangzhou Youchang Business Management limited owned the commercial properties located in Zengcheng city. The Group refused to settle the entire equity interest mainly because a series of illegal alteration works were discovered in the relevant properties. After receipt of the first decision from Guangzhou Zengcheng People's Court, the Group filed an appeal to the 廣州市中級人民法院 (Guangzhou Secondary People's Court*). Up to the date of announcement, no final adjudication was issued by the Guangzhou Secondary People's Court. The Board has recently been notified by the Subsidiaries that the Appeals have been dismissed by the competent court in the PRC and that the Decisions have been upheld by the competent court in the PRC.

The Subsidiaries have sought PRC legal advice and considered that they have good merits in applying to the higher court in the PRC for a re-trial of the above matters. The Company shall update its shareholders and potential investors on material developments regarding the Appeals when appropriate in compliance with the Listing Rules.

19. RELATED PARTIES TRANSACTIONS

Save as those disclosed elsewhere in this announcement, the Group had the following material transactions with related companies during the Period:

	Six months ended 30 June	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Rental expenses paid to related companies	-	-

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a revenue of approximately HK\$56,461,000 and recorded a loss after tax of approximately HK\$11,740,000 for the six months ended 30 June 2024.

CONTINUING CONNECTED TRANSACTIONS

On 13 May 2024, new tenancy agreements (the “New Tenancy Agreements”) were respectively entered into (i) between New Rank Services Limited (a wholly-owned subsidiary of the Company) as tenant and Winrich Investments Limited as landlord for leasing of the office premises; (ii) between New Rank Services Limited as tenant and Goldrich Investments Limited as landlord for leasing of the office premises and car parking space; and (iii) between New Rank Services Limited as tenant and Jiacheng Jiaxin International Property Management (Hong Kong) Limited as landlord for leasing of the staff quarter and car parking space. The New Tenancy Agreements are for a term of one year commencing from 1 June 2024. All of Winrich Investments Limited, Goldrich Investments Limited and Jiacheng Jiaxin International Property Management (Hong Kong) Limited are companies indirectly wholly-owned by an associate of a connected person of the Company, and therefore the transactions contemplated under the New Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

OUTLOOK AND PROSPECT

Since year 2019, the Group has adopted “New Day, New Life, New City” as the theme of its future business development with a view to integrating different businesses to satisfy people’s various daily needs in living. Through the operations of the Group’s different units such as property management in Guangzhou, supermarket business in Mainland China, investment properties in Luoyang and property development in Zhuhai, the Group will continue to strive for a perfect integration and implementation of the aforesaid theme.

Rental and Property Management Business in Guangzhou

The Group’s wholly-owned subsidiary, Guangdong Changliu Investment Company Limited (“Changliu”), currently is the Group’s main operating unit. Profit generated from the rental and related management service of Changliu increased moderately as compared to last corresponding period. The leasing of Changliu will continue to be one of the Group’s main commercial activities. The Group expects that the rental income from Changliu will be maintainable in the coming year.

Supermarket Business in Mainland China

In the first half of 2024, the Group's supermarket business in Mainland China has faced very tough challenge and recorded a significant drop in revenue due to the adjustment of the macro economic conditions. In light of the fierce competition in the supermarket business in Mainland China, the Group will continue to be very prudent in this business and has gradually reduced its participation in the future development of the supermarket business in Mainland China.

Investment Properties in Luoyang

With regard to Luoyang Properties, on 5 December 2017, the Group submitted a construction plan to 洛陽市城鄉規劃局 (“洛陽規劃局”). After 洛陽規劃局's review, the Group was instructed to modify certain aspects of the construction plan. On 23 June 2018, the Group has been further instructed by 洛陽新區中央商務區規劃建設辦公室 to submit a revised construction plan to 洛陽市城鄉一體化示範區商務中心區辦公室 for approval and the document was submitted on 17 July 2018. On 13 August 2018, the Group received a notice from 洛陽市城鄉一體化示範區商務中心區辦公室, pursuant to which, the location of Luoyang Properties was minimal adjusted. On 27 September 2023, 洛陽市自然資源和規劃局 issued an approval document (建設用地許可證) on the revised construction plan submitted by the Group in early period.

Property Development in Zhuhai

The development of Zhuhai property is part of the Group's commercial property development projects in Great Bay Area that was scheduled in year 2020. In 2023, taking into account the adjustment of the property market environment in the PRC, the Group is monitoring the pace of development of the property market and will then decide on the next steps and development for that project. Our Group holds an optimistic attitude towards the long-term real estate market in China, but we will also not overlook market dynamics and will pay attention to the same in making the most favorable commercial decisions for our Company.

Acquisition of Concrete Mixing Transport Trucks

On 24 May 2024, the Company as purchaser, entered into a sale and purchase agreement which was supplemented and amended by a supplemental agreement dated 27 May 2024 (collectively, the “SPA”) with 惠州市金沙商貿有限公司 (in English for identification purposes only Hui Zhou Jinsha Trading Company Limited), a domestic company established under the laws of the PRC as vendor (the “Vendor”), pursuant to which the Company agreed to purchase and the Vendor agreed to sell a total of 70 concrete mixing transport trucks (the “Trucks”) at a total consideration of RMB12,011,520.00 (equivalent to HK\$13,056,000.00) which shall be satisfied by the issue and allotment of the 17,000,000 new shares of the Company (the “Consideration Shares”) at the issue price of HK\$0.768 per Consideration Share on completion (the “Completion”) of the transactions contemplated under the SPA.

As the Company has been carrying out the property development business in the Mainland China, the Company intends to diversify its business into the provision of logistic and transportation and preparation services of concrete for various property developers in the PRC as a lateral expansion of the business of the Group and serve as an additional source of the revenue of the Group. The purchase of the Trucks shall be used for preparation and transportation of concrete.

The parties now agree that Completion shall take place on or before 31 December 2024. As at the date of this announcement, application for listing approval of the Consideration Shares have been made and approved by the Stock Exchange.

For details, please refer to the announcements of the Company dated 24 May 2024 and 27 May 2024.

FINANCIAL REVIEW

During the Period under review, the Group has revenue and loss for the Period amounted to approximately HK\$56,461,000 and HK\$11,740,000 respectively, whereas the Group had revenue and loss for the first half of 2023 were approximately HK\$90,483,000 and approximately HK\$8,026,000 respectively. Basic loss per share for six months ended 30 June 2024 was HK9.88 cents (basic loss per share for six months ended 30 June 2023 was HK9.27 cents).

DIVIDENDS

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

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING REQUIREMENTS

As at 30 June 2024, the Group's total assets were approximately HK\$1,691,716,000 (31 December 2023: HK\$1,728,153,000) and total liabilities were approximately HK\$1,381,565,000 (31 December 2023: HK\$1,356,427,000). As at 30 June 2024, the cash and bank balances was approximately HK\$9,518,000 (31 December 2023: HK\$9,541,000) and the current ratio (current assets/current liabilities) was 3.31 as at 30 June 2024 (31 December 2023: 2.38).

GEARING RATIO

The gearing ratio (debt/equity) was 78% as at 30 June 2024 (31 December 2023: 74%).

EXCHANGE RISKS

The majority of the Group's operations are located in the PRC and Hong Kong. The main operational currencies are Hong Kong Dollars and Renminbi. The Company is paying regular and active attention to Renminbi exchange rate fluctuation and consistently assessing exchange risks.

CAPITAL STRUCTURE

There is no change in the capital structure of the Company.

PLEDGE OF ASSETS

As at 30 June 2024, the Group's investment properties and properties under development for sale in Guangzhou, Luoyang and Zhuhai were pledged to secure for bank borrowings.



SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, the Company did not have any significant investments or material acquisitions and disposals for the six months ended 30 June 2024.

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

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

CONTINGENT LIABILITIES

Details of the contingent liabilities were set out in note 18 to this announcement.

COMMITMENT

The Group did not have any commitment as at 30 June 2024.

OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 30 June 2024, the Company has complied with all the code provisions (“Code Provisions”) as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), save for the deviations listed below:

- The Chairman of the Company is also the chief executive officer of the Company, which deviates from Code Provision A.2.1 which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. As the current nature of the Group’s business is not complicated, the Board considers that the current structure is sufficient for monitoring and controlling the operation of the Group. The Company will review its structure from time to time and will make corresponding arrangements to observe the provisions of the Listing Rules whenever necessary.
- According to the Articles of Association of the Company, the non-executive directors of the Company are not appointed for specific terms. Thus, they are deviated from Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term, subject to re-election and Code Provision A.4.2 which stipulates that all directors appointed to fill a casual vacancy shall hold office only until the next following general meeting and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, in view of the fact that non-executive directors are subject to retirement by rotation as stipulated in the Company’s Articles of Association, the Company considers that there are sufficient measures in place to ensure that the corporate governance of the Company are no less exacting than the Code Provisions. The Company will review its Articles of Association from time to time and will make any amendments to ensure observance of the provisions of the Listing Rules whenever necessary.
- According to Article 87(1) of the Articles of Association, since the Chairman of the Board, whilst holding such office, is not subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year, Code Provision A.4.2 is deviated. The Chairman plays an essential role in the growth and development of the Group. At present, the Chairman’s continuing presence in the Board is important to assure sustainable development of the Group. Given the importance of the Chairman’s role, the Board considers that the relevant article in the Articles of Association has no material impact on the operation of the Group as a whole.

EMPLOYEES

As at 30 June 2024, the Group has employed about 53 employees in Hong Kong and the PRC. The Group adopts a competitive remuneration package for its employees. Remuneration packages are reviewed annually with reference to the then prevailing market employment practices and legislation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the Chief Executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long position in the shares and underlying shares of the Company

Name of Director	Capacity/nature of interests	Number of shares and underlying shares held	Approximate % of shareholding
Mr. Han Junran	Interest of controlled corporation	37,733,255 ⁽¹⁾	32.18
	Beneficial owner	32,521,754	27.73

Note:

- (1) Junyi Investments Limited (a company wholly-owned by Mr. Han Junran) held 37,733,255 Shares, representing 32.18% of the issued share capital. For the purposes of the SFO, Mr. Han Junran was deemed to be interested in the 37,733,255 Shares held by Junyi Investments Limited.

Save as disclosed above, as at 30 June 2024, none of the Directors or Chief Executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTEREST IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executive of the Company, as at 30 June 2024, other than the interests and short positions of the Directors or Chief Executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long position in the shares of the Company

Name	Capacity	Number of shares and underlying shares held	Approximate % of shareholding
Junyi Investments Limited	Beneficial owner	37,733,255 ⁽¹⁾	32.18
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP)	Person having a security interest	59,794,972 ⁽²⁾	50.99
Zhongtai International Asset Management Limited	Investment manager	59,794,972 ⁽²⁾	50.99

Notes:

- (1) Junyi Investments Limited, a company incorporated with limited liability in the British Virgin Islands, is wholly-owned by Mr. Han Junran who is an Executive Director of the Company.
- (2) The security interest of the 59,794,972 shares of the Company is held by Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP), an investment fund managed by Zhongtai International Asset Management Limited.

Save as disclosed above, as at 30 June 2024, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all Directors have confirmed that they had complied with the Code throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee comprises three members who are independent non-executive directors namely Mr. Chan Yiu Tung, Anthony, Mr. Zhang Jing and Mr. Leung Kwai Wah Alex. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal controls and the Condensed Consolidated Financial Statements for the six months ended 30 June 2024.

By Order of the Board
New City Development Group Limited
Han Junran
Chairman

Hong Kong, 30 August 2024