

MAGNIFICENT HOTEL INVESTMENTS LIMITED

華大酒店投資有限公司

(Stock Code: 201)



INTERIM REPORT 2025

CORPORATE INFORMATION

Executive Directors

Mr. William CHENG Kai Man (*Chairman*)

Mr. Albert HUI Wing Ho

Madam Kimmy LAU Kam May

Madam NG Yuet Ying

Non-executive Director

Madam Mabel LUI FUNG Mei Yee

Independent Non-executive Directors

Mr. CHAN Kim Fai

Mr. LAM Kwai Cheung

Mr. Warren LIU Yuk Cho

Company Secretary

Madam KOO Ching Fan

Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants

Registered Public Interest Entity Auditor

35th Floor, One Pacific Place

88 Queensway

Hong Kong

Solicitor

Withers

30th Floor

United Centre

95 Queensway

Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Registered Office

3rd Floor, Shun Ho Tower

24-30 Ice House Street

Central, Hong Kong

Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Tel: 2980 1333

Company's Website

www.magnificenthotelinv.com

INTERIM RESULTS

The board (the “Board”) of directors (the “Director(s)”) of Magnificent Hotel Investments Limited (the “Company”) (together with its subsidiaries, the “Group”) announces that the net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the six months ended 30th June, 2025 was HK\$59.3 million (six months ended 30th June, 2024: HK\$41.6 million), increased by HK\$17.7 million (+43%).

INTERIM DIVIDEND

In deciding whether to distribute the interim dividend and its amount, the Board has reviewed the Company’s adopted dividend policy and does not recommend the payment of interim dividend for the six months ended 30th June, 2025 (six months ended 30th June, 2024: Nil) for the following reasons:

- i) secure more cashflow under the current challenging economy and unstable hotel market condition with high operating costs and interest costs;
- ii) retain cash to further reduce bank debt and shareholder loan; and
- iii) retain cash for renovation of Wood Street Hotel in London.

MANAGEMENT DISCUSSION AND ANALYSIS

During the period, the Group continued with its hotel investments, hotel management, property leasing and property development.

The net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment for the six months ended 30th June, 2025 was HK\$59.3 million (six months ended 30th June, 2024: HK\$41.6 million), increased by HK\$17.7 million (+43%).

	Six months ended		Change
	30.6.2025	30.6.2024	
	HK\$'000	HK\$'000	
	(unaudited)	(unaudited)	
Profit from operation of hotels	8,631	712	+1,112%
– Profit	77,237	68,733	
– Depreciation	(68,606)	(68,021)	
Profit from property investment	20,380	14,010	+45%
Income from securities investments	25	–	N/A
Other income and gain and losses	1,615	2,182	-26%
	30,651	16,904	+81%
Administrative expenses	(22,205)	(23,159)	-4%
Finance costs	(17,177)	(23,228)	-26%
Income tax expense	(6,654)	(3,063)	+117%
Loss after taxation	(15,385)	(32,546)	-53%
Non-controlling interests	187	186	+1%
Loss after taxation and non-controlling interests	(15,198)	(32,360)	-53%
Add: Revaluation loss	5,000	5,000	–
Add: Properties depreciation and release of prepaid lease payments for land	69,493	68,922	+1%
Net profit after tax attributable to owners of the Company before revaluation and depreciation of land, property and equipment	59,295	41,562	+43%

The overall increase in profit for the six months ended 30th June, 2025 was mainly due to increase in revenue by 5% and decrease in hotel operating costs and finance costs.

PERFORMANCE

For the six months ended 30th June, 2025, the **GROUP'S INCOME** was mostly derived from the aggregate income from operation of hotels and investment properties, which was analysed as follows:

Income

	Six months ended			
	30.6.2025	30.6.2024	Change	Reason
	HK\$'000	HK\$'000		
	(unaudited)	(unaudited)		
Income from operation of hotels	231,238	224,959	+3%	Increase in room rates
Income from investment properties	25,380	19,010	+34%	Increase in rental income received from Royal Scot Hotel, London
Other income	<u>1,640</u>	<u>2,182</u>	-25%	N/A
Total	<u>258,258</u>	<u>246,151</u>	+5%	

During the period, the total income for the Group increased by 5% from approximately HK\$246 million to approximately HK\$258 million compared with last period.

HOTELS PERFORMANCES

The Group presently owns eight hotels, operates seven hotels and leases out one hotel in London. The income from operation of hotels increased by 3% to HK\$231 million (six months ended 30th June, 2024: HK\$225 million). Royal Scot Hotel in London was leased to a hotel management company, Travelodge.

	Ramada Hong Kong Harbour View	Ramada Hong Kong Grand	Best Western Plus Hotel Hong Kong	Best Western Hotel Causeway Bay	Best Western Plus Hotel Kowloon	Grand Bay View Hotel	Magnificent International Hotel, Shanghai
2025							
Jan to Jun							
Average room occupancy (%)	98	99	97	99	98	98	88

As at 30th June, 2025, an independent third-party valuation of Royal Scot Hotel, London was GBP88,500,000 (as at 31st December, 2024: GBP88,500,000). The rental income of Royal Scot Hotel, London for the period was GBP2,362,000 (six months ended 30th June, 2024: GBP1,768,000). The management succeeded in increasing the annual rental by 34% from GBP3,546,000 to GBP4,737,000.

COST

The **HOTELS' SERVICE COST** for the period was HK\$151.9 million (six months ended 30th June, 2024: HK\$154.6 million), representing hotel operating cost.

Name of Hotel	Six months ended		Change
	30.6.2025 <i>HK\$ million</i>	30.6.2024 <i>HK\$ million</i>	
Ramada Hong Kong Harbour View	26.0	26.3	-1%
Ramada Hong Kong Grand	24.2	24.1	+1%
Best Western Plus Hotel Kowloon	18.2	17.9	+2%
Best Western Plus Hotel Hong Kong	25.7	26.8	-4%
Best Western Hotel Causeway Bay	19.3	19.5	-1%
Grand Bay View Hotel	30.5	32.5	-6%
Magnificent International Hotel, Shanghai	8.0	7.5	+7%
Total amount for the period	151.9	154.6	-2%

Cost of sale of HK\$2.1 million (six months ended 30th June, 2024: HK\$1.6 million) was from cost of food and beverage.

During the period, the **ADMINISTRATIVE EXPENSES** excluding depreciation was HK\$21 million (six months ended 30th June, 2024: HK\$22.3 million).

The accounting standards require hotel properties of the Group to provide **DEPRECIATION** which amounted to HK\$68.2 million (six months ended 30th June, 2024: HK\$68.0 million) for the period.

DEPRECIATION OF HOTEL PROPERTIES

Name of Hotel	Six months ended		Change HK\$ million
	30.6.2025	30.6.2024	
	HK\$ million	HK\$ million	
Ramada Hong Kong Harbour View	3.0	3.0	–
Ramada Hong Kong Grand	14.8	14.8	–
Best Western Plus Hotel Kowloon	8.7	8.1	+0.6
Best Western Plus Hotel Hong Kong	1.9	2.0	-0.1
Best Western Hotel Causeway Bay	5.7	5.8	-0.1
Grand Bay View Hotel	33.1	33.0	+0.1
Magnificent International Hotel, Shanghai	<u>1.0</u>	<u>1.3</u>	-0.3
Total amount for the period	<u>68.2</u>	<u>68.0</u>	+0.2

FUNDING

As at 30th June, 2025, the **OVERALL DEBTS** of the Group was HK\$636 million (31st December, 2024: HK\$700 million) (reduced by HK\$64 million), of which HK\$301 million (31st December, 2024: HK\$345 million) was assets secured bank borrowings and HK\$335 million was advances from shareholders (mainly Shun Ho Property Investments Limited) (31st December, 2024: HK\$355 million).

As at 30th June, 2025, the gearing ratio was 15% (31st December, 2024: 17%) in terms of overall debts of HK\$636 million (31st December, 2024: HK\$700 million) (HK\$335 million shareholder's loan and HK\$301 million bank loan) against funds employed of HK\$4,231 million before revaluation of all hotel properties (31st December, 2024: HK\$4,137 million).

The overall debts were analysed as follows:

	As at 31st December, 2024 <i>HK\$ million</i>	As at 30th June, 2025 <i>HK\$ million</i>	Change <i>HK\$ million</i>	Interest Paid As at 30th June, 2025 <i>HK\$ million</i>
Bank loans	345	301	-44	8.2
Shareholder's loan	355	335	-20	9.0
Overall debts	700	636	-64	17.2

FINANCE COST: Of these loans, the total interest expenses amounted to HK\$17.2 million (six months ended 30th June, 2024: HK\$23.2 million), the bank loans interest expenses amounted to HK\$8.2 million (six months ended 30th June, 2024: HK\$10.8 million) and the shareholders' loan interest expenses amounted to HK\$9 million (six months ended 30th June, 2024: HK\$12.4 million). The decrease in finance cost was due to decrease in interest rate.

The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong Dollar and Pound Sterling. Accordingly, the Group exposes to exchange risk and the management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

As at 30th June, 2025, the Group had a total number of 569 employees (31st December, 2024: 568 employees). Remuneration and benefit were set with reference to the market.

BUSINESS HIGHLIGHTS

During the six months ended 30th June, 2025, the number of overnight visitors in Hong Kong amounted to around 11.3 million (30th June, 2024: 10.6 million) and against 15 million in the same period in 2019 pre-pandemic year, among which 75% were mainland visitors and 25% were non-mainland visitors. Per-capita spending of mainland visitors remained low at HK\$5,100 as compared to HK\$6,000 in 2019 pre-pandemic year. The pace of recovery of the tourism industry continues to be affected by the more expensive HKD vs RMB and declining per-capita spending of mainland visitors.

Throughout the period, the Group achieved an average hotel occupancy rate of over 90%. Compared with last period, the hotel income of the Group increased by 3% to HK\$231 million and the total income of the Group increased by 5% to HK\$258 million.

The management succeeded in increasing the annual rental of Royal Scot Hotel, London by 34% from GBP3,546,000 to GBP4,737,000.

The Group acquired Wood Street Police Headquarter building in the centre of City of London for GBP40 million on 29th January, 2020 which has a gross internal area of 117,472 s.f. on a 20,000 s.f. island site and obtained planning consents approval to refurbish a deluxe hotel of about 216 guest rooms, restaurant, bar and facilities.

LOOKING AHEAD

The Group has eight income producing hotels, six in Hong Kong, one in Shanghai, one in London, and the Wood Street Hotel refurbishment project in London.

With the weak economy of the PRC and the expensive HKD vs RMB, more PRC tourists choose to stay in the Greater Bay area and visit Hong Kong on day trips. However, the future prospects of further Multiple-entry Endorsement of other major PRC cities such as Beijing and Shanghai would be most encouraging.

Future prospects of the hotel business and rental incomes may continue to be challenging. The management will keep its effort to increase incomes and control costs.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2025.

DIRECTORS' INTERESTS IN LISTED SECURITIES

As at 30th June, 2025, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required (a) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (b) to be 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 (the “Model Code”) were as follows:

The Company

Name of director	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Interest of controlled corporations	Corporate	6,360,585,437 (Note)	71.09

Note:

Shun Ho Property Investments Limited (“Shun Ho Property”) beneficially owned 2,709,650,873 shares of the Company (the “Shares”) (30.29%) and was taken to be interested in 395,656,000 Shares (4.42%) held by Good Taylor Limited, 273,579,983 Shares (3.06%) held by South Point Investments Limited, 3,500,000 Shares (0.04%) held by Shun Ho Technology Developments Limited and 2,978,198,581 Shares (33.29%) held by Fastgrow Engineering & Construction Company Limited (“Fastgrow”), representing a total of 6,360,585,437 Shares (71.09%). Mr. William Cheng Kai Man had controlling interest in the above-mentioned companies. All the above interests in the Shares are long position.

Associated Corporations

Name of director	Name of associated corporation	Capacity	Nature of interests	Number of Shares/ underlying Shares held	Approximate % of shareholding
William Cheng Kai Man	Shun Ho Property (Note 1)	Beneficial owner and interest of controlled corporations	Personal and corporate	385,395,999	66.48
William Cheng Kai Man	Shun Ho Holdings Limited (“Shun Ho Holdings”) (Note 2)	Beneficial owner and interest of controlled corporations	Personal and corporate	226,454,825	74.40
William Cheng Kai Man	Magnificent Assets Holdings Limited (“Magnificent Assets Holdings (BVI)”) (Note 3)	Beneficial owner	Personal	2	100.00

Notes:

1. Shun Ho Property, the Company’s immediate holding company, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
2. Shun Ho Holdings, the Company’s intermediate holding company, is a public limited company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange.
3. Magnificent Assets Holdings (BVI), the Company’s ultimate holding company, is a company incorporated in the British Virgin Islands.
4. All the above interests in the shares of the associated corporations are long position.

Save as disclosed above and save for shares in subsidiaries held by a director in trust for their immediate holding companies, as at 30th June, 2025, none of the directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code and none of the directors or their associates or their spouse or children under the age of 18, had any right to subscribe for the securities of the Company or associated corporations, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2025, the following persons (not being directors or chief executive of the Company) had interests in the Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate % of shareholding
Shun Ho Property (Note 1)	Beneficial owner and interest of controlled corporations	6,360,585,437 (L)	71.09
Omnico Company Inc. ("Omnico") (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Shun Ho Holdings (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Magnificent Assets Holdings (BVI) (Note 2)	Interest of controlled corporations	6,360,585,437 (L)	71.09
Liza Lee Pui Ling (Note 3)	Interest of spouse	6,360,585,437 (L)	71.09
Fastgrow	Beneficial owner	2,978,198,581 (L)	33.29
Alef United Holdings Limited (Note 4)	Beneficial owner and interest in persons acting in concert	885,094,524 (L)	9.89
Credit Suisse Trust Limited (Note 4)	Interest of controlled corporations	885,094,524 (L)	9.89
Hashim Majed Hashim A. (Note 4)	Interest of controlled corporations	885,094,524 (L)	9.89
North Salomon Limited (Note 4)	Interest of controlled corporations	885,094,524 (L)	9.89

Name of shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate % of shareholding
Saray Capital Limited (Note 4)	Interest of controlled corporations	885,094,524 (L)	9.89
Saray Value Fund SPC (Note 4)	Beneficial owner and interest in persons acting in concert	885,094,524 (L)	9.89
Shobokshi Hussam Ali H. (Note 4)	Interest of controlled corporations	885,094,524 (L)	9.89

Notes:

1. Shun Ho Property beneficially owned 2,709,650,873 Shares (30.29%) and was taken to be interested in 395,656,000 Shares (4.42%) held by Good Taylor Limited, 273,579,983 Shares (3.06%) held by South Point Investments Limited, 3,500,000 Shares (0.04%) held by Shun Ho Technology Developments Limited and 2,978,198,581 Shares (33.29%) held by Fastgrow, representing a total of 6,360,585,437 Shares (71.09%). The above-mentioned companies were wholly-owned subsidiaries of Shun Ho Property.
2. Shun Ho Property is directly and indirectly owned as to 60.38% by Omnico, which was in turn owned as to 100% by Shun Ho Holdings, which was in turn directly owned as to 50.60% by Magnificent Assets Holdings (BVI), which was in turn wholly-owned by Mr. William Cheng Kai Man. Therefore, Omnico, Shun Ho Holdings and Magnificent Assets Holdings (BVI) were taken to be interested in 6,360,585,437 Shares (71.09%) by virtue of their direct or indirect interests in Shun Ho Property.
3. Madam Liza Lee Pui Ling was deemed to be interested in 6,360,585,437 Shares (71.09%) by virtue of the interest in such Shares of her spouse, Mr. William Cheng Kai Man, a director of the Company.

4. According to the notices filed by Alef United Holding Limited (“Alef United”) and Saray Value Fund SPC (“Saray Value Fund”) on 6th April, 2022, Alef United beneficially held 2,396,000 Shares (0.03%) and Saray Value Fund, a wholly-owned subsidiary of Saray Capital Limited, beneficially held 882,698,524 Shares (9.87%). Since Alef United and Saray Value Fund are concert parties to an agreement to buy shares under section 317 (1)(a) of the SFO, they are deemed to have interest in the Shares held by the other concert parties. And according to the notice filed by Saray Value SPV Asia I on 14th April, 2022, Saray Value SPV Asia I disposed of 8,517,976 Shares and ceased to be a concert party on 14th April, 2022. Saray Capital Limited was held by Shobokshi Hussam Ali H. as to 26.76% and Hashim Majed Hashim A. as to 50%. Alef United was wholly-owned by Shobokshi Hussam Ali H.. Therefore, the total number of Shares in which Saray Value Fund, Saray Capital Limited, Shobokshi Hussam Ali H. and Hashim Majed Hashim A. were interested under Sections 317 and 318 of the SFO was 885,094,524 Shares (9.89%).

Saray Value Fund was held by North Salomon Limited as to 67.40%. North Salomon Limited was held by Credit Suisse Trust Limited as to 100%. Therefore, the total number of Shares in which North Salomon Limited and Credit Suisse Trust Limited were interested under Sections 317 and 318 of the SFO was 885,094,524 Shares (9.89%).

L: Long Position

Save as disclosed above, there was no person, other than a director or chief executive of the Company, who has an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

INDEPENDENT REVIEW

The interim results for the six months ended 30th June, 2025 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, by Deloitte Touche Tohmatsu, whose independent review report is included on page 15 of this interim report. The interim results and the interim report 2025 have also been reviewed by the Group’s Audit Committee.

CORPORATE GOVERNANCE

(a) Compliance with the Corporate Governance Code

During the six months ended 30th June, 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange with the exception of the following deviation:

Code Provision C.2.1: chairman and chief executive should not be performed by the same individual

The Company does not have separate appointments for the Chairman and the Chief Executive Officer. Mr. William Cheng Kai Man holds both positions. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates planning and execution of the Company’s strategy and is hence, for the interests of the Company and its shareholders. It is also significantly cost-saving for Mr. Cheng, the Chairman to also serve as the Chief Executive Officer, which would have otherwise been recruited from the market at a heavy cost.

(b) Compliance with the Model Code

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code throughout the period.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 22nd August, 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF MAGNIFICENT HOTEL INVESTMENTS LIMITED

華大酒店投資有限公司

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Magnificent Hotel Investments Limited (the “Company”) and its subsidiaries set out on pages 16 to 40, which comprise the condensed consolidated statement of financial position as of 30th June, 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of total comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
22nd August, 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

		Six months ended 30th June,	
		2025	2024
	<i>NOTES</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3		
Contracts with customers		231,238	224,959
Leases		25,380	19,010
Dividend income		25	–
Total revenue		256,643	243,969
Cost of sales		(2,105)	(1,641)
Other service costs		(151,896)	(154,585)
Depreciation of property, plant and equipment		(68,222)	(67,640)
Depreciation of right-of-use asset		(384)	(381)
Gross profit		34,036	19,722
Decrease in fair value of investment properties	10	(5,000)	(5,000)
Other income and gains and losses		1,615	2,182
Administrative expenses		(22,205)	(23,159)
– Depreciation		(887)	(901)
– Others		(21,318)	(22,258)
Finance costs	5	(17,177)	(23,228)
Loss before taxation		(8,731)	(29,483)
Income tax expense	6	(6,654)	(3,063)
Loss for the period	7	(15,385)	(32,546)
Loss for the period attributable to:			
Owners of the Company		(15,198)	(32,360)
Non-controlling interests		(187)	(186)
		(15,385)	(32,546)
		HK cents	HK cents
Loss per share	9		
Basic		(0.17)	(0.36)

CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	<u>(15,385)</u>	<u>(32,546)</u>
Other comprehensive income (expense)		
Item that will not be reclassified to profit or loss		
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	(12,292)	(908)
Item that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	<u>121,222</u>	<u>(13,773)</u>
Other comprehensive income (expense) for the period	<u>108,930</u>	<u>(14,681)</u>
Total comprehensive income (expense) for the period	<u>93,545</u>	<u>(47,227)</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	93,732	(47,041)
Non-controlling interests	<u>(187)</u>	<u>(186)</u>
	<u>93,545</u>	<u>(47,227)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2025

		As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
	NOTES		
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,613,123	3,633,234
Right-of-use asset		21,215	21,454
Investment properties	10	1,117,145	1,030,990
Equity instruments at FVTOCI	17	79,912	92,204
		<u>4,831,395</u>	<u>4,777,882</u>
CURRENT ASSETS			
Inventories		1,122	1,166
Trade and other receivables	11	9,072	11,137
Other deposits and prepayments		9,639	9,004
Bank balances and cash		174,354	203,139
		<u>194,187</u>	<u>224,446</u>
CURRENT LIABILITIES			
Trade and other payables and accruals	12	39,685	47,416
Rental and other deposits received		1,571	1,785
Contract liabilities		7,636	8,037
Amount due to immediate holding company	15	329,541	347,390
Amount due to a shareholder	15	5,088	7,487
Tax liabilities		8,245	4,587
Bank loans	13	301,298	345,152
		<u>693,064</u>	<u>761,854</u>
NET CURRENT LIABILITIES		<u>(498,877)</u>	<u>(537,408)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>4,332,518</u></u>	<u><u>4,240,474</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

AT 30TH JUNE, 2025

		As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
	<i>NOTES</i>		
CAPITAL AND RESERVES			
Share capital	14	841,926	841,926
Reserves		<u>3,382,132</u>	<u>3,288,400</u>
Equity attributable to owners of the Company		4,224,058	4,130,326
Non-controlling interests		<u>6,449</u>	<u>6,636</u>
TOTAL EQUITY		<u>4,230,507</u>	<u>4,136,962</u>
NON-CURRENT LIABILITIES			
Rental deposits received		1,126	1,006
Deferred tax liabilities		<u>100,885</u>	<u>102,506</u>
		<u>102,011</u>	<u>103,512</u>
		<u>4,332,518</u>	<u>4,240,474</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

	Attributable to owners of the Company								
	Share capital	Special capital reserve	Property revaluation reserve	Securities revaluation reserve	Foreign currency translation reserve	Other reserve	Retained profits	Sub-total	Non-controlling interest
	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000	HK\$'000	HK\$'000 (Note c)	HK\$'000	HK\$'000	HK\$'000
At 1st January, 2024 (audited)	841,926	612,477	1,089	24,382	(71,647)	3,561	2,800,961	4,212,749	7,263
Loss for the period	-	-	-	-	-	-	(32,360)	(32,360)	(186)
Exchange differences arising on translation of foreign operations	-	-	-	-	(13,773)	-	-	(13,773)	-
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	(908)	-	-	-	(908)	-
Total comprehensive expense for the period	-	-	-	(908)	(13,773)	-	(32,360)	(47,041)	(186)
At 30th June, 2024 (unaudited)	841,926	612,477	1,089	23,474	(85,420)	3,561	2,768,601	4,165,708	7,077
At 1st January, 2025 (audited)	841,926	612,477	1,089	15,847	(100,760)	3,561	2,756,186	4,130,326	6,636
Loss for the period	-	-	-	-	-	-	(15,198)	(15,198)	(187)
Exchange differences arising on translation of foreign operations	-	-	-	-	121,222	-	-	121,222	-
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	(12,292)	-	-	-	(12,292)	-
Total comprehensive expense for the period	-	-	-	(12,292)	121,222	-	(15,198)	93,732	(187)
At 30th June, 2025 (unaudited)	841,926	612,477	1,089	3,555	20,462	3,561	2,740,988	4,224,058	6,449

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY (*Continued*)**

FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

Notes:

- (a) The special capital reserve represents the difference arising from the reduction of the nominal value of the Company's shares in year 1999.
- (b) The property revaluation reserve is arisen from the transfer of properties from property, plant and equipment to investment properties and will be transferred to retained profits when the relevant properties are disposed of.
- (c) The other reserve represents the difference between the sales proceeds from the disposal of partial interest in a subsidiary and the reduction of interest in the carrying amounts of assets and liabilities of the subsidiary in previous years.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Loss before taxation	(8,731)	(29,483)
Adjustments for:		
Decrease in fair value of investment properties	5,000	5,000
Loss on disposal of property, plant and equipment	12	741
Depreciation of property, plant and equipment	69,109	68,541
Depreciation of right-of-use asset	384	381
Other non-cash items	15,947	20,510
Operating cash flows before movements in working capital	81,721	65,690
Decrease in trade and other payables and accruals	(7,654)	(8,233)
Increase in other deposits and prepayments	(635)	(1,880)
Decrease in contract liabilities	(401)	(1,098)
Decrease in rental and other deposits received	(94)	(340)
Decrease in trade and other receivables	2,105	10,451
Decrease in inventories	44	218
Cash generated from operations	75,086	64,808
Hong Kong Profits Tax (paid) refunded	(111)	923
Income tax paid in other jurisdictions	(4,881)	(3,762)
Net cash from operating activities	70,094	61,969
Investing activities		
Addition of property, plant and equipment	(3,017)	(10,496)
Interest received	1,190	3,218
Net cash used in investing activities	(1,827)	(7,278)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)
FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

	Six months ended 30th June,	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Financing activities		
Repayment of bank loans	(99,882)	(130,133)
Repayment to immediate holding company	(26,831)	(221,408)
Interest paid	(8,272)	(10,859)
Repayment to a shareholder	(2,399)	–
New bank loan raised	<u>32,000</u>	<u>150,000</u>
Net cash used in financing activities	<u>(105,384)</u>	<u>(212,400)</u>
Net decrease in cash and cash equivalents	(37,117)	(157,709)
Cash and cash equivalents at the beginning of the period	203,139	309,245
Effect of foreign exchange rate changes	<u>8,332</u>	<u>(1,794)</u>
Cash and cash equivalents at the end of the period, represented by bank balances and cash	<u><u>174,354</u></u>	<u><u>149,742</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

1. BASIS OF PREPARATION

Magnificent Hotel Investments Limited (the “Company”) is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company’s immediate and intermediate holding company are Shun Ho Property Investments Limited and Shun Ho Holdings Limited, respectively, both are public limited companies incorporated in Hong Kong whose shares are listed on the Hong Kong Stock Exchange. The directors of the Company consider the Company’s ultimate holding company to be Magnificent Assets Holdings Limited, an international business company incorporated in the British Virgin Islands.

The condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are the investment and operation of hotels, property investment and securities investment.

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”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The financial information relating to the year ended 31st December, 2024 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31st December, 2024 to the Register of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$498,877,000 as at 30th June, 2025. In the opinion of the directors of the Company, the Group has source of finance available to fund its operations, including internal financial resources, and refinanced bank facility amounting to GBP23,336,500 (equivalent to HK\$251,334,000). Shun Ho Property Investments Limited, which is the immediate holding company, agreed not to demand repayment on the amount due to immediate holding company before the Group has the financial ability to do so. Accordingly, the condensed consolidated financial statements have been prepared in conformity with principles applicable to a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2024.

The application of all amendments to HKFRS Accounting Standards issued by the HKICPA are disclosed below.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents the aggregate of income from operation of hotels, property rental and dividend income, and is analysed as follows:

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Income from operation of hotels	231,238	224,959
Income from property rental	25,380	19,010
Dividend income	25	—
	<u>256,643</u>	<u>243,969</u>

Disaggregation of revenue for operation of hotels:

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of goods or services (time of revenue recognition):		
Room revenue and other ancillary services (recognised over time)	223,334	218,166
Food and beverage (recognised at a point in time)	7,904	6,793
	<u>231,238</u>	<u>224,959</u>
Geographical markets:		
Hong Kong	218,879	214,436
The People's Republic of China (the "PRC")	12,359	10,523
	<u>231,238</u>	<u>224,959</u>

4. SEGMENT INFORMATION

The Group's operating and reportable segments, based on information reported to the chief operating decision maker (the "CODM"), being the Chairman of the Company, for the purpose of resources allocation and performance assessment are as follows:

1. Hospitality services – Best Western Plus Hotel Kowloon
2. Hospitality services – Best Western Plus Hotel Hong Kong
3. Hospitality services – Magnificent International Hotel, Shanghai
4. Hospitality services – Best Western Hotel Causeway Bay
5. Hospitality services – Ramada Hong Kong Harbour View
6. Hospitality services – Ramada Hong Kong Grand
7. Hospitality services – Wood Street Hotel
8. Hospitality services – Grand Bay View Hotel
9. Property investment – Shops, hotel and residential properties
10. Securities investment

Information regarding the above segments is reported below.

4. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for both periods:

	Segment revenue		Segment results	
	Six months		Six months	
	ended 30th June,		ended 30th June,	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hospitality services	231,238	224,959	8,631	712
– Best Western Plus Hotel Kowloon	26,944	24,396	(99)	(1,758)
– Best Western Plus Hotel Hong Kong	40,828	40,851	13,093	11,990
– Magnificent International Hotel, Shanghai	12,359	10,523	2,882	1,555
– Best Western Hotel Causeway Bay	24,526	24,514	(542)	(850)
– Ramada Hong Kong Harbour View	41,567	40,936	12,242	11,373
– Ramada Hong Kong Grand	40,515	41,658	1,181	2,637
– Grand Bay View Hotel	44,499	42,081	(20,126)	(24,235)
Property investment	25,380	19,010	20,380	14,010
Securities investment	25	–	25	–
	<u>256,643</u>	<u>243,969</u>	<u>29,036</u>	<u>14,722</u>
Other income and gains and losses			1,615	2,182
Administrative expenses			(22,205)	(23,159)
Finance costs			(17,177)	(23,228)
Loss before taxation			<u>(8,731)</u>	<u>(29,483)</u>

Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administrative costs, other income and gains and losses and finance costs. This is the measure reported to the CODM, for the purposes of resources allocation and performance assessment.

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both periods.

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Segment assets		
Hospitality services	3,579,714	3,604,343
– Best Western Plus Hotel Kowloon	199,006	208,223
– Best Western Plus Hotel Hong Kong	299,249	300,739
– Magnificent International Hotel, Shanghai	53,400	54,229
– Best Western Hotel Causeway Bay	253,646	259,495
– Ramada Hong Kong Harbour View	467,643	470,359
– Ramada Hong Kong Grand	533,490	547,699
– Wood Street Hotel	447,475	404,384
– Grand Bay View Hotel	1,325,805	1,359,215
Property investment	1,117,145	1,030,990
Securities investment	79,912	92,204
Total segment assets	4,776,771	4,727,537
Unallocated assets	248,811	274,791
Consolidated assets	<u>5,025,582</u>	<u>5,002,328</u>

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

The following is an analysis of the Group's assets and liabilities by operating and reportable segment: *(Continued)*

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Segment liabilities		
Hospitality services	30,118	40,495
– Best Western Plus Hotel Kowloon	3,974	5,881
– Best Western Plus Hotel Hong Kong	3,880	5,839
– Magnificent International Hotel, Shanghai	2,176	1,895
– Best Western Hotel Causeway Bay	3,753	4,935
– Ramada Hong Kong Harbour View	3,623	5,655
– Ramada Hong Kong Grand	3,797	5,812
– Grand Bay View Hotel	8,915	10,478
Property investment	15,914	14,378
Securities investment	1	1
Total segment liabilities	46,033	54,874
Unallocated liabilities	749,042	810,492
Consolidated liabilities	795,075	865,366

4. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than the Group's head office corporate assets (including certain property, plant and equipment), all bank balances and cash and certain other receivables and deposits; and
- all liabilities are allocated to operating and reportable segments other than the Group's head office corporate liabilities, amount due to immediate holding company, amount due to a shareholder, bank loans, tax liabilities and deferred tax liabilities.

5. FINANCE COSTS

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interests on:		
Bank loans	8,195	10,764
Amount due to immediate holding company (<i>note 15(a)</i>)	8,982	12,464
	<u>17,177</u>	<u>23,228</u>

6. INCOME TAX EXPENSE

Six months ended 30th June,	
2025	2024
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

The taxation expense comprises:

Current tax:

Hong Kong	3,933	2,260
The United Kingdom (the "UK")	4,231	2,459
	8,164	4,719

Underprovision in prior years:

Hong Kong	111	—
	8,275	4,719

Deferred tax

(1,621)	(1,656)
6,654	3,063

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The annual tax rate used is 16.5% for the six months ended 30th June, 2025 (six months ended 30th June, 2024: 16.5%).

Taxation arising in the PRC and the UK are recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year prevailing in the relevant jurisdictions.

Deferred tax liabilities on the temporary differences attributable to the undistributed retained profit earned by the Company's PRC subsidiary amounted to HK\$275,000 (six months ended 30th June, 2024: HK\$140,000) were charged to profit or loss for the six months ended 30th June, 2025.

The Group is operating in certain jurisdictions where the Pillar Two Rules is enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

7. LOSS FOR THE PERIOD

Six months ended 30th June,	
2025	2024
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Loss for the period has been arrived at after charging (crediting) the following items:

Depreciation of right-of-use asset	384	381
Depreciation of property, plant and equipment	69,109	68,541
Interest income from bank deposits (<i>Note</i>)	(1,230)	(2,718)
Loss on disposal of property, plant and equipment (<i>Note</i>)	<u>12</u>	<u>741</u>

Note: The amounts are included in other income and gains and losses.

8. DIVIDEND

During the six months ended 30th June, 2025 and 30th June, 2024, no dividend was declared and paid to shareholders for the year ended 31st December, 2024 and 31st December, 2023.

The directors have resolved not to declare or propose an interim dividend for the six months ended 30th June, 2025 and 30th June, 2024.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of HK\$15,198,000 (six months ended 30th June, 2024: HK\$32,360,000) and on 8,947,051,000 shares (six months ended 30th June, 2024: 8,947,051,000 shares) in issue during the period.

Diluted loss per share for both periods are not presented as there are no potential ordinary shares outstanding during both periods.

10. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the six months ended 30th June, 2025, the Group acquired property, plant and equipment of HK\$3,017,000 (six months ended 30th June, 2024: HK\$10,496,000).

The Group has disposed of property, plant and equipment with carrying amount of HK\$12,000 (six months ended 30th June, 2024: HK\$741,000), resulting in a loss on disposal of HK\$12,000 (six months ended 30th June, 2024: HK\$741,000).

Investment properties are stated at fair value based on the valuations performed by independent professional valuers which are not connected with the Group. The fair value is derived by using income approach to assess the market value of the investment properties. During the assessment of the fair values of investment properties, the valuers and the Directors of the Company have exercised their judgement and are satisfied that the method of valuation and the key inputs, including term yield, reversionary yield and market rent, are reflective of the current market conditions. If there are changes in the assumptions used for the valuations, the fair value of the investment properties will change in the future.

The resulting decrease in fair value of investment properties of HK\$5,000,000 (six months ended 30 June, 2024: HK\$5,000,000) has been recognised directly in profit or loss for the six months ended 30th June, 2025.

The investment properties of the Group with an aggregate carrying amount of approximately HK\$1,090,145,000 (31st December, 2024: HK\$1,002,990,000) were rented out under operating leases at the end of the reporting period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The income approach estimates the values of the properties on an open market basis by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised on a fully leased basis. In this approach, the Valuers have considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

11. TRADE AND OTHER RECEIVABLES

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Trade receivables from contracts with customers	5,951	8,361
Other receivables	<u>3,121</u>	<u>2,776</u>
	<u>9,072</u>	<u>11,137</u>

Except for a credit period of 30 to 60 days granted to travel agencies and certain customers of the hotels, the Group does not allow any credit period to customers. The following is an aged analysis of the Group's trade receivables from contracts with customers presented based on the invoice date at the end of the reporting period:

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Not yet due	5,728	8,162
Overdue:		
0 – 30 days	49	104
31 – 60 days	174	94
61 – 90 days	<u>–</u>	<u>1</u>
	<u>5,951</u>	<u>8,361</u>

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Trade payables	4,324	5,031
Interest payables	202	278
Other payables	3,006	1,129
Legal and professional fee payables	1,461	2,349
Rental receipt in advance	12,008	10,638
Accrued staff costs	6,219	16,031
Other accruals	12,465	11,960
	<u>39,685</u>	<u>47,416</u>

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
0 – 30 days	4,317	5,024
31 – 60 days	6	6
61 – 90 days	1	1
	<u>4,324</u>	<u>5,031</u>

13. BANK LOANS

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (Audited)
Secured bank loans	<u>301,298</u>	<u>345,152</u>
The carrying amounts of bank loans are repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	<u>251,298</u>	<u>227,152</u>
The carrying amounts of bank loans that contain a repayable on demand clause (shown under current liabilities) but repayable:		
Within one year	<u>50,000</u>	<u>118,000</u>
	<u>301,298</u>	<u>345,152</u>
Amounts shown under current liabilities	<u>301,298</u>	<u>345,152</u>

All the Group's bank loans are floating rate borrowings. The bank loans are secured over certain of the Group's assets as disclosed in note 16. Effective interest rate is 5.19% per annum (31st December, 2024: 6.25% per annum).

14. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares		
Issued and fully paid:		
At 1st January, 2024 (audited),		
30th June, 2024 (unaudited),		
31st December, 2024 (audited) and		
30th June, 2025 (unaudited)	<u>8,947,051</u>	<u>841,926</u>

15. RELATED PARTY TRANSACTIONS AND BALANCES

Other than those disclosed in the condensed consolidated financial statements, the Group had the following transactions and balances with related parties during the periods and as at period/year ends:

	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Transactions during the period:		
Shun Ho Property Investments Limited		
(the Company's immediate holding company)		
and its subsidiaries*		
Expense related to short term leases	520	520
Interest expenses (<i>Note a</i>)	8,982	12,464
Corporate management fee income for		
administrative facilities provided	2,323	2,307
Shun Ho Holdings Limited (the Company's		
intermediate holding company)		
Corporate management fee income for		
administrative facilities provided	75	75
Rental income from Mr. William Cheng Kai Man	420	420
Compensation of key management		
personnel (<i>Note c</i>)	<u>6,651</u>	<u>6,684</u>

15. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

	As at 30th June, 2025 <i>HK\$'000</i> (Unaudited)	As at 31st December, 2024 <i>HK\$'000</i> (audited)
Balances as at period/year end:		
Amount due to immediate holding company <i>(Note a)</i>	329,541	347,390
Amount due to Mr. William Cheng Kai Man <i>(Note b)</i>	<u>5,088</u>	<u>7,487</u>

* exclude the Company and its subsidiaries

Notes:

- (a) The amount due to immediate holding company was unsecured, carried interest at 5.20% per annum (30th June, 2024: 5.72% per annum) and repayable on demand.
- (b) The amount due to a shareholder which is non-traded related, unsecured, interest-free and repayable on demand.
- (c) The compensation of key management personnel comprised short-term and post employment benefits attributable to such personnel.

16. PLEDGE OF ASSETS

At the end of the reporting period, the bank loan facilities of the Group were secured by the followings:

- (a) investment properties and hotel properties of the Group with carrying amounts as at 30th June, 2025 of approximately HK\$1,043 million (31st December, 2024: HK\$955 million), and HK\$1,468 million (31st December, 2024: HK\$1,493 million), respectively;
- (b) pledge of shares in certain subsidiaries of the Company with an aggregate net asset value as at 30th June, 2025 of approximately HK\$713 million (31st December, 2024: HK\$629 million);
- (c) assignment of property rental of certain subsidiaries of the Company; and
- (d) assignment of insurance on an investment property.

17. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and key inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30th June, 2025	31st December, 2024		
	<i>HK\$'000</i>	<i>HK\$'000</i>		
	(Unaudited)	(Audited)		
Equity instruments at FVTOCI	<u>79,912</u>	<u>92,204</u>	Level 1	Quoted bid prices in an active market

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.