



KAISA CAPITAL INVESTMENT HOLDINGS LIMITED

佳兆業資本投資集團有限公司

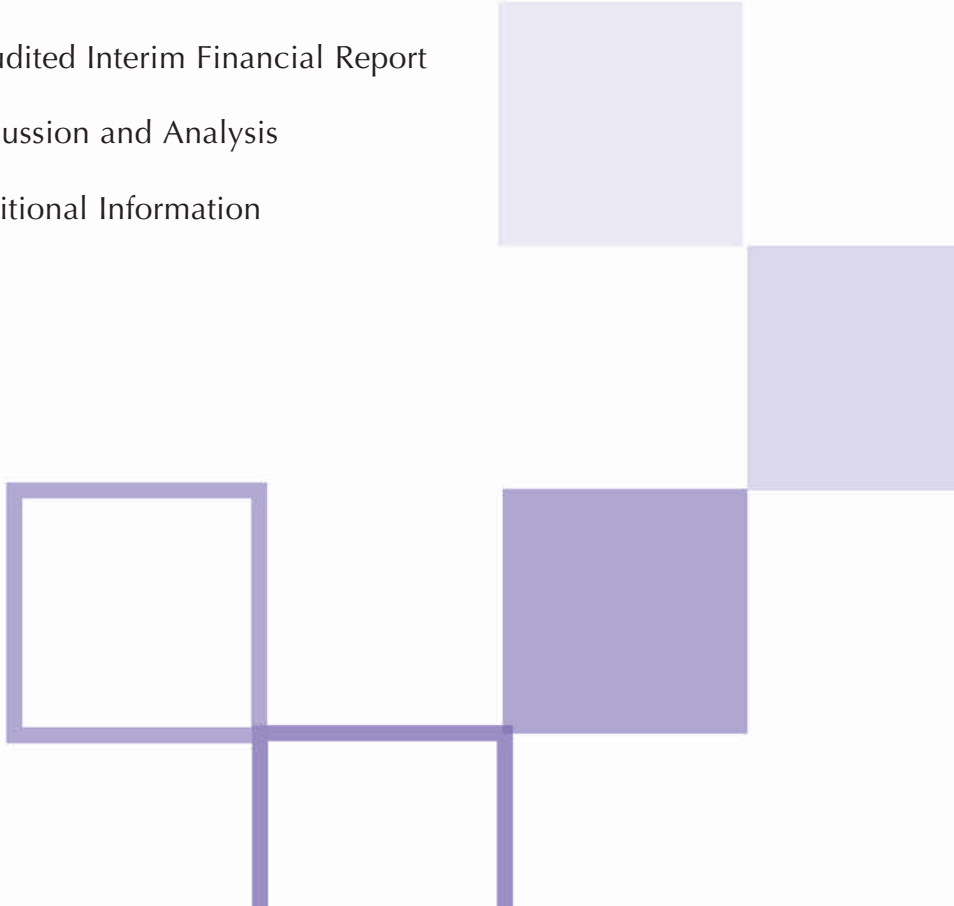
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 936)

INTERIM REPORT 2023



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Kwok Ying Shing (*Chairman*)
Mr. Zheng Wei (*Chief Executive Officer*)
Ms. Lee Kin Ping Gigi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

COMPANY SECRETARY

Ms. Poon Yuk Ching Ada

AUTHORISED REPRESENTATIVES

Mr. Zheng Wei
Ms. Poon Yuk Ching Ada

PRINCIPAL BANKERS

Hong Kong
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited
United Overseas Bank Limited
The Bank of East Asia, Limited
Singapore
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F., Far East Finance Centre,
16 Harcourt Road,
Hong Kong

AUDIT COMMITTEE

Mr. Xu Xiaowu (*Chairman*)
Mr. Li Yongjun
Mr. Diao Yingfeng

REMUNERATION COMMITTEE

Mr. Li Yongjun (*Chairman*)
Mr. Kwok Ying Shing
Mr. Diao Yingfeng

NOMINATION COMMITTEE

Mr. Kwok Ying Shing (*Chairman*)
Mr. Xu Xiaowu
Mr. Li Yongjun

REGISTERED OFFICE

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1901, 19/F.,
Lee Garden One, 33 Hysan Avenue,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited

WEBSITE

<https://kaisa-capital.com>

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

936

Board Lot

10,000 shares

REPORT ON REVIEW OF INTERIM FINANCIAL REPORT



TO THE BOARD OF DIRECTORS OF KAISA CAPITAL INVESTMENT HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report of Kaisa Capital Investment Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 4 to 27, which comprises the condensed consolidated statement of financial position as at 30 June 2023, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. 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 (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim financial report 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” (“HKSRE 2410”) issued by the HKICPA. A review of the interim financial report 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 interim financial report is not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2022 and the relevant explanatory notes included in this interim financial report have not been reviewed in accordance with HKSRE 2410.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 29 August 2023

Chu, Johnny Chun Yin
Practising certificate number P05720

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	6	125,076	95,689
Cost of sales and services		(55,529)	(32,850)
Gross profit		69,547	62,839
Other income and gains	7	930	3,090
Selling and distribution expenses		(1,347)	(884)
Administrative expenses		(27,731)	(24,493)
Other operating expenses	8	(28,429)	(31,111)
Finance costs	9	(5,465)	(4,898)
Profit before income tax	10	7,505	4,543
Income tax expense	11	(3,425)	(723)
Profit for the period		4,080	3,820
Other comprehensive income/(loss)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		3,460	(1,928)
Total comprehensive income for the period		7,540	1,892
Earnings per share			
– Basic and diluted (HK cents)	13	0.38	0.36

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	<i>Notes</i>	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	189,082	206,043
Right-of-use assets	14	138,085	89,994
Intangible assets	15	825	1,511
Deferred tax assets		–	101
		327,992	297,649
Current assets			
Properties under development	16	136,410	133,630
Inventories and consumables		10,874	18,701
Trade receivables	17	71,385	53,603
Prepayments, deposits and other receivables		12,346	17,521
Cash and cash equivalents		25,023	38,442
		256,038	261,897
Current liabilities			
Trade payables	18	68,364	77,613
Accruals and other payables		119,339	109,227
Contract liabilities		6,802	15,910
Borrowings	19	18,033	20,378
Other loans	20	83,000	83,000
Lease liabilities		39,737	25,763
Tax payable		4,169	4,133
		339,444	336,024
Net current liabilities		(83,406)	(74,127)
Total assets less current liabilities		244,586	223,522

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

as at 30 June 2023

	<i>Notes</i>	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Non-current liabilities			
Borrowings	19	25,983	33,435
Lease liabilities		69,388	51,438
Deferred tax liabilities		4,576	1,550
		99,947	86,423
Net assets		144,639	137,099
EQUITY			
Share capital		10,600	10,600
Reserves		134,039	126,499
Total equity		144,639	137,099

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023

	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Statutory reserve HK\$'000 (Unaudited)	Merger reserve HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Translation reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2022 (audited)	10,600	346,824	3,157	120,985	17,537	6,742	(373,609)	132,236
Profit for the period	-	-	-	-	-	-	3,820	3,820
Other comprehensive loss for the period:								
Exchange difference on translating foreign operations	-	-	-	-	-	(1,928)	-	(1,928)
Total comprehensive income for the period	-	-	-	-	-	(1,928)	3,820	1,892
At 30 June 2022 (unaudited)	10,600	346,824	3,157	120,985	17,537	4,814	(369,789)	134,128
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Statutory reserve HK\$'000 (Unaudited)	Merger reserve HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Translation reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
At 1 January 2023 (audited)	10,600	346,824	3,459	120,985	17,537	6,426	(368,732)	137,099
Profit for the period	-	-	-	-	-	-	4,080	4,080
Other comprehensive income for the period:								
Exchange difference on translating foreign operations	-	-	-	-	-	3,460	-	3,460
Total comprehensive income for the period	-	-	-	-	-	3,460	4,080	7,540
At 30 June 2023 (unaudited)	10,600	346,824	3,459	120,985	17,537	9,886	(364,652)	144,639

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	16,148	77,689
Interest paid	(1,719)	(2,463)
Income tax paid	–	(239)
<i>Net cash generated from operating activities</i>	14,429	74,987
Cash flows from investing activities		
Purchase of property, plant and equipment and payments for right-of-use assets	(5,609)	(17,332)
Interest received	3	–
Proceeds from disposal of property, plant and equipment	7,193	–
<i>Net cash generated from/(used in) investing activities</i>	1,587	(17,332)
Cash flows from financing activities		
Repayment of lease liabilities	(18,329)	(13,397)
Interest element of lease rentals paid	(2,286)	(2,507)
Repayment of borrowings	(13,338)	(58,908)
Proceeds from borrowings	4,630	16,884
<i>Net cash used in financing activities</i>	(29,323)	(57,928)
Net decrease in cash and cash equivalents	(13,307)	(273)
Cash and cash equivalents at 1 January	38,442	26,356
Effect of exchange rates changes on cash and cash equivalents	(112)	(523)
Cash and cash equivalents at 30 June	25,023	25,560

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

For the six months ended 30 June 2023

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Kaisa Capital Investment Holdings Limited is an exempted company with limited liability incorporated in the Cayman Islands. The address of its registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is 1901, 19/F., Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. The Company is an investment company and its subsidiaries (collectively known as the “Group”) are principally engaged in (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (“Construction Equipment Business”) and (ii) property development (“Property Development Business”).

The Company’s issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 19 July 2010. The immediate and ultimate holding companies of the Company are Mighty Empire Group Limited (“Mighty Empire Group”) and Kaisa Group Holdings Ltd. (“Kaisa Group”), respectively. Mighty Empire Group was incorporated in the British Virgin Islands (the “BVI”) and Kaisa Group was incorporated in the Cayman Islands. The issued shares of Kaisa Group are listed on the Main Board of the Stock Exchange.

The interim financial report for the six months ended 30 June 2023 (the “Interim Financial Report”) has been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

At the end of reporting period, the Group’s current liabilities exceeded its current assets by approximately HK\$83,406,000. The directors of the Company (the “Directors”) consider that the Group will be able to meet its financial obligations as they fall due for twelve months from 30 June 2023, on the basis that financial support has been obtained from a former substantial shareholder of the Company and taking into account the Group’s current and future cash flow positions, the Directors are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare the Interim Financial Report on a going concern basis.

The preparation of the Interim Financial Report in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The use of judgements and estimates are disclosed in Note 4.

The Interim Financial Report is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. The explanatory notes of the Interim Financial Report include explanations of events and transactions that are significant for an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements (the “2022 Annual Financial Statements”). The Interim Financial Report do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2022 Annual Financial Statements.

Certain comparative figures have been re-presented to conform to the current year’s presentation for grouping of net impairment loss on trade receivables in other income and gains to administrative expenses.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

2. ACCOUNTING POLICIES

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the 2022 Annual Financial Statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's Interim Financial Report:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the new and amendments to HKFRSs 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 the Interim Financial Report.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing the Interim Financial Report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2022 Annual Financial Statements.

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For management purpose, the Group is currently organised into two operating divisions as follows:

- a. Construction Equipment Business
- b. Property Development Business

These operating divisions are the basis of internal reports about components which are regularly reviewed by CODM, the executive directors of the Company, for the purpose of resources allocation and assessing their performance. Each of the operating division represents an operating segment and reporting segment.

During the current interim period, the comparative segment information has been re-presented to disclose the relevant information in a more precise way.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

5. SEGMENT INFORMATION *(Continued)*

- (a) Information regarding the Group's reportable segments as provided to the Group's executive directors is set out below:

	Construction Equipment Business	Property Development Business	Total
	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2023 (unaudited)			
Reportable segment revenue	125,076	–	125,076
Reportable segment profit	8,295	–	8,295
Interest on other loans			(2,059)
Unallocated corporate expenses			
– Corporate staff costs			(717)
– Others			(1,439)
Profit for the period			4,080

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

5. SEGMENT INFORMATION *(Continued)*

(a) *(Continued)*

(re-presented)

	Construction Equipment Business HK\$'000	Property Development Business HK\$'000	Total HK\$'000
Six months ended 30 June 2022 (unaudited)			
Reportable segment revenue	95,689	–	95,689
Reportable segment profit/(loss)	9,082	(42)	9,040
Interest on other loans			(2,059)
Unallocated corporate expenses			
– Corporate staff costs			(2,531)
– Others			(630)
Profit for the period			3,820

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

5. SEGMENT INFORMATION *(Continued)*

- (b) In the following table, revenue is disaggregated by primary geographical markets of which the external customers from within the Group's reportable segments. The table also includes a reconciliation of the disaggregated assets and liabilities by the Group's reportable segments.

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Construction Equipment Business		
Primary geographical markets		
Hong Kong (place of domicile)	40,334	17,935
Singapore	45,637	39,456
The People's Republic of China ("PRC")	26,659	35,938
Korea	3,871	686
Turkey	–	1,143
Vietnam	–	391
Thailand	–	140
Israel	1,341	–
Australia	7,234	–
Total	125,076	95,689

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

5. SEGMENT INFORMATION *(Continued)*

(b) *(Continued)*

	Construction Equipment Business HK\$'000	Property Development Business HK\$'000	Total HK\$'000
At 30 June 2023 (unaudited)			
Reportable segment assets	446,901	136,470	583,371
Other unallocated segment asset			659
Total assets			584,030
Reportable segment liabilities	324,071	2,876	326,947
Other loans			83,000
Other unallocated segment liability			29,444
Total liabilities			439,391

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

5. SEGMENT INFORMATION *(Continued)*

(b) *(Continued)*

(re-presented)

	Construction Equipment Business HK\$'000	Property Development Business HK\$'000	Total HK\$'000
At 31 December 2022 (audited)			
Reportable segment assets	424,267	133,723	557,990
Other unallocated segment asset			1,556
Total assets			559,546
Reportable segment liabilities	307,600	2,911	310,511
Other loans			83,000
Other unallocated segment liability			28,936
Total liabilities			422,447

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

- all assets are allocated to operating segments except for certain property, plant and equipment, certain right-of-use assets, certain prepayment, deposits and other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to operating segments except for certain receipt in advance, accruals and other payables, certain borrowings, other loans and certain lease liabilities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

6. REVENUE

Revenue from the Group's principal activities during the six months are as follows:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Construction Equipment Business		
Revenue from Contract with Customers within the scope of HKFRS 15:		
Sales of machinery	16,376	4,942
Sales of spare parts	663	1,789
Service income	23,314	9,190
	40,353	15,921
Revenue from other sources:		
Rental income from leasing of owned plant and machinery and right-of-use assets	68,177	60,457
Rental income from subleasing of short term leases related to plant and machinery	16,546	19,311
	84,723	79,768
	125,076	95,689

In following table, revenue is disaggregated by timing of revenue recognition. The table also includes revenue from other sources and a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Construction Equipment Business		
Timing of revenue recognition under HKFRS 15		
At a point in time	17,039	6,731
Transferred over time	23,314	9,190
	40,353	15,921
Revenue from other sources	84,723	79,768
	125,076	95,689

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

7. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Government subsidy	21	759
Compensation received <i>(Note)</i>	467	385
Gain on sales of material	208	207
Others	234	1,739
	930	3,090

Note: Amount represented claim received from the insurance company.

8. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Depreciation of property, plant and equipment	16,727	14,208
Depreciation of right-of-use assets	11,016	15,942
Amortisation of intangible assets	686	961
	28,429	31,111

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

9. FINANCE COSTS

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest charges on financial liabilities stated at amortised cost:		
– Borrowings	1,120	332
– Other loans	2,059	2,059
– Lease liabilities	2,286	2,507
	5,465	4,898

10. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Impairment loss on/(recovery of impairment loss of) trade receivables, net	839	(1,469)
Loss on disposal of property, plant and equipment	282	–
Employee costs, included in cost of sales and services and administrative expenses		
– Wages, salaries and bonus	16,724	15,359
– Contribution to defined contribution plans	1,568	1,677
	18,292	17,036
Net foreign exchange loss	681	2,774

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

11. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax		
– Provision for PRC Enterprise Income Tax (“EIT”)	219	720
Deferred tax		
– Charge for the period	3,206	3
Total income tax expense	3,425	723

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

For group entities in the PRC, the provision for the EIT has been provided at the applicable tax rate of 25% on the estimated assessable profits of the respective subsidiaries.

For group entities in Singapore, income tax will be provided at the applicable tax rate of 17% on the estimated assessable profits of the respective entities. No such provision was provided as the respective subsidiaries had no assessable profit in the periods and/or the estimated assessable profits of the respective subsidiaries were wholly absorbed by tax losses brought forward from previous years.

For group entities in Hong Kong, under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. No such provision was provided as the respective subsidiaries had no assessable profit in the periods and/or the estimated assessable profits of the respective subsidiaries were wholly absorbed by tax loss brought forward from previous years.

12. INTERIM DIVIDEND

No interim dividend has been paid or declared by the Company during the period (six months ended 30 June 2022: Nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

13. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the results attributable to owners of the Company by the weighted average number of ordinary shares in issue during the periods:

	Six months ended 30 June	
	2023	2022
Basic and diluted earnings per share (HK cents)	0.38	0.36

Diluted earnings per share equals to basic earnings per share, as there were no potential dilutive ordinary shares issued during the periods ended 30 June 2022 and 2023.

(ii) Reconciliations of earnings used in calculating earnings per share

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Profit		
Profit for the purpose of basic and diluted earnings per share	4,080	3,820

(iii) Weighted average number of shares used as the denominator

	Six months ended 30 June	
	2023	2022
Number of shares		
Weighted average number of ordinary shares	1,060,000,000	1,060,000,000

14. CAPITAL EXPENDITURES

During the period, the Group had additions of property, plant and equipment of approximately HK\$1,819,000 (six months ended 30 June 2022: HK\$17,937,000) and right-of-use assets of approximately HK\$60,581,000 (six months ended 30 June 2022: HK\$18,868,000), respectively.

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately HK\$9,305,000 (six months ended 30 June 2022: Nil) for total proceeds of approximately HK\$9,023,000 (six months ended 30 June 2022: Nil), resulting in a loss on disposals of approximately HK\$282,000 (six months ended 30 June 2022: Nil). Deposits in relation to the disposal of approximately HK\$1,800,000 was received in advance as at 31 December 2022.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

15. INTANGIBLE ASSETS

	Construction licenses HK\$'000
At 1 January 2023 (audited)	1,511
Amortisation	(686)
At 30 June 2023 (unaudited)	825
At 1 January 2022 (audited)	3,432
Amortisation	(1,921)
At 31 December 2022 (audited)	1,511

16. PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Within normal operating cycle included under current assets	136,410	133,630

The properties under development are all located in Hong Kong. No provision for impairment was made during the periods. The properties under development are expected to be completed and available for sale more than 12 months.

The properties under development include costs of acquiring rights to use certain lands, which are located in Hong Kong, for property development over fixed periods. Land use rights are held on leases of 50 years.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

17. TRADE RECEIVABLES

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade receivables, gross	74,715	56,176
Less: Loss allowance	(3,330)	(2,573)
Trade receivables, net	71,385	53,603

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 90 days (31 December 2022: 0 to 90 days) or based on the terms agreed in the relevant sales and rental agreements.

The ageing analysis of trade receivables as at the reporting date, net of impairment, based on invoice date, is as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
0-30 days	32,175	26,738
31-60 days	9,393	3,739
61-90 days	2,214	924
Over 90 days	27,603	22,202
	71,385	53,603

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

17. TRADE RECEIVABLES *(Continued)*

The movement in the loss allowance for trade receivables during the period is as follows:

	As at 30 June 2023 HK\$'000	As at 30 June 2022 HK\$'000
At 1 January (audited)	2,573	3,279
Impairment loss recognised	839	45
Recovery of impairment	–	(1,514)
Net exchange differences	(82)	(36)
At 30 June (Unaudited)	3,330	1,774

18. TRADE PAYABLES

The credit period is, in general, ranging from 30 to 90 days or based on the terms agreed in the relevant purchase agreements.

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

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
0-30 days	5,235	12,473
31-60 days	1,481	3,207
61-90 days	7,583	873
Over 90 days	54,065	61,060
	68,364	77,613

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

19. BORROWINGS

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Bank borrowings	24,380	29,667
Non-bank borrowings	19,636	24,146
	44,016	53,813
Borrowings repayable:		
Within one year	18,033	20,378
More than one year, but not exceeding two years	17,721	21,147
More than two years, but not exceeding five years	8,262	12,288
	44,016	53,813
Portion classified as current liabilities	(18,033)	(20,378)
Non-current portion	25,983	33,435

The borrowings denominated in Singapore dollars and Renminbi bore interest at variable interest rates with effective interest rates from 2.90% to 6.25% (at 31 December 2022: from 2.90% to 6.25%) per annum.

At 30 June 2023, the Group's bank borrowings were secured by a building of the Group carried at cost with an amount of approximately HK\$27,697,000 (at 31 December 2022: approximately HK\$28,548,000), property, plant and equipment of approximately HK\$3,200,000 (at 31 December 2022: HK\$5,870,000).

At 30 June 2023, the Group's other borrowings were secured by property, plant and equipment of approximately HK\$31,870,000 (at 31 December 2022: approximately HK\$27,082,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

20. OTHER LOANS

Since 2018, the Company has entered into several unsecured other loan agreements with Harbour Luck Investments Limited (“Harbour Luck”), a substantial shareholder of the Company until 29 April 2021. The loans are unsecured, bear interest at 5% per annum and repayable on demand.

On 6 August 2020, Harbour Luck had entered into a supplementary agreement with the Company where Harbour Luck agreed to adjust the annual interest rate from 10% to 5% for the outstanding loan balance of HK\$183,000,000, starting from the date of drawn down, and Harbour Luck agreed to waive HK\$17,537,000 interest payable by the Company as a result of the adjustment of the interest rate. The waived interest payable has been included in the capital reserve of the Company as a deemed contribution from shareholder. As at 30 June 2023, the outstanding balance of the other loans was HK\$83,000,000 (31 December 2022: HK\$83,000,000).

In the opinion of the directors of the Company, the loans were granted to the Company on normal commercial terms to the Company.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

21. COMMITMENTS

21.1 Commitment - as lessor

The Group had future aggregate minimum lease receipts in respect of plant and machinery included in property, plant and equipment and right-of-use assets in the Group under non-cancellable operating leases as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Within one year	118,734	128,281
In the second year	28,694	44,907
	147,428	173,188

The Group leased its machinery under operating leases arrangements which run for an initial period of one to two years. All leases were on a fixed rental basis and did not include contingent rentals. The terms of leases generally required the lessee to pay security deposits.

21.2 Commitment - as lessee

The total future minimum lease payments related to short-term leases of the Group in respect of machinery, office and premises located in Hong Kong and PRC under non-cancellable operating leases are as follows:

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Within one year	6,863	13,887

At 30 June 2023 and 31 December 2022, the leases payment in respect of machinery, office and premises in Hong Kong and PRC run for an initial period within one year. All rentals are fixed over the lease terms and do not include contingent rentals.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

For the six months ended 30 June 2023

21. COMMITMENTS *(Continued)*

21.3 Other commitments

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Acquisition of property, plant and equipment and right-of-use assets – contracted but not provided for	8,897	49,430
Construction related costs in respect of the properties under development – contracted but not provided for	5,401	7,548
	14,298	56,978

22. RELATED PARTY TRANSACTIONS

Key management personnel compensations

The remuneration of the Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term employee benefits	1,439	614
Post employment benefits	17	15
	1,456	629

23. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2023 and 31 December 2022.

24. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim financial report for six months ended 30 June 2023 were approved and authorised for issue by the Board on 29 August 2023.



MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The board of directors of Kaisa Capital Investment Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) has resolved not to declare the payment of an interim dividend in respect of the six months ended 30 June 2023 (the “**Period**”) (six months ended 30 June 2022: Nil).

OVERALL GROUP RESULTS

For the Period, the Group generated revenue of approximately HK\$125.1 million (six months ended 30 June 2022: approximately HK\$95.7 million) with a profit for the Period of approximately HK\$4.1 million (six months ended 30 June 2022: approximately HK\$3.8 million).

The increase in the revenue for the Period was mainly attributable to the increase in service income and amount of sale of machinery.

Revenue from sales of machinery of approximately HK\$16.4 million was recorded for the Period, representing an increase of approximately 231.4% of the amount we achieved in the six months ended 30 June 2022. This was due to the increase in demands of new cranes in Hong Kong and Singapore.

Our rental income increased to approximately HK\$84.7 million for the Period, representing an increase of approximately 6.2% as compared with approximately HK\$79.8 million for the six months ended 30 June 2022.

Sales of spare parts of approximately HK\$0.7 million was recorded for the Period, representing a decrease of approximately 62.9% from the amount recorded for the same period in 2022. The decrease was mainly due to the change in market demand of spare parts for the machinery. Service income was recorded at approximately HK\$23.3 million for the Period, approximately 153.7% higher than that of approximately HK\$9.2 million for the same period in 2022. This was due to the increase in demand for services including chargeable climbing and dismantling activities during the Period.

Hong Kong

Revenue increased by approximately HK\$22.4 million, or 124.9%, from approximately HK\$17.9 million for the six months ended 30 June 2022 to approximately HK\$40.3 million for the Period. It was mainly due to the increase in the number of cranes and utilisation rate of cranes.

Singapore and other Asian market other than Hong Kong and PRC

Revenue increased by approximately HK\$16.3 million, or 38.9%, from approximately HK\$41.8 million for the six months ended 30 June 2022 to approximately HK\$58.1 million for the Period. It was mainly due to the increased number of heavy tower cranes, which earned higher rental values.

PRC

Revenue decreased by approximately HK\$9.3 million, or 25.8%, from approximately HK\$35.9 million for the six months ended 30 June 2022 to approximately HK\$26.7 million for the Period. It was mainly due to the slowdown of construction activities of the real estate development company.

As at 30 June 2023, the Group had one property development project under development in Hong Kong and it commenced in the second quarter of 2020. There was no sale during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

The Group's Property Development Project as at 30 June 2023

Project name	Location/ Postal address	Interests Attributable to the Group	Total Site Area (sq. ft.)	Status	Estimated completion time <i>(Note)</i>	Usage
Mong Kok	Lot No. 11238 at Reclamation Street and Shanghai Street, Mong Kok, Kowloon, Hong Kong	100%	2,718	Under development	March 2025	Residential

Note: The estimated completion time is made based on the present situation and progress of the project.

Analysis of Properties Under Development as at 30 June 2023

Project name	Total GFA* (sq. ft.)	GFA under development/ completed (sq. ft.)	Total Saleable GFA* (sq. ft.)	Accumulated GFA* sold as at 30 June 2023 (sq. ft.)	Accumulated GFA* delivered as at 30 June 2023 (sq. ft.)	Average Selling Price (HK\$/sq. ft.)
Mong Kok	17,910	0	10,308	0	0	Not applicable

* GFA means gross floor area

Overall, the Group incurred total administrative and other operating expenses of approximately HK\$56.2 million for the Period, representing an increase of approximately 1.0% over the amount incurred in the six months ended 30 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

OUTLOOK

In the first half of 2023, a number of major projects in Hong Kong were launched, including the MTR Tung Chung East Station, Tung Chung West Station and Kwu Tung Station; public housing construction projects in Tung Chung, the West Kowloon Reclamation and Kwu Tung North; and public facility being the second phase of the Kwong Wah Hospital Redevelopment Project. Major projects in the second half of the year include the Tuen Mun South Station and Tuen Mun A16 Station of the MTR Tuen Mun South Extension, as well as public housing construction projects, including the second phase of the Fanling North Area 15 East site, the Wu Shan Road site in Tuen Mun, the Kai Tak site, the redevelopment of Mei Tung Estate (Older Part), and the Light Public Housing project. These construction projects will directly drive the demand for tower cranes, especially for heavy tower cranes, and the Group's Hong Kong segment will actively participate in and grasp the opportunity to win bids for these projects.

The growth in business volume of the Group's operations in Shenzhen and Singapore has maintained at a high level in recent years. The Singapore operations has benefited from the strong recovery of the construction industry in Singapore, where construction activity has steadily returned to pre-pandemic levels. The awarded contract value in Singapore's construction industry in the first half of 2023 totalled S\$14.5 billion. For the full year 2023, the Building and Construction Authority of Singapore estimated that the contract value would reach between S\$27 billion and S\$32 billion. Data has shown that there is a significant decline of the awarded contract value from public and private sectors in the second quarter of 2023 as compared to the first quarter, and it is believed that more projects will be launched by the public housing authority in the second half of the year. In addition, construction demand is estimated to develop at a steady pace from 2024 to 2027 at S\$25 billion to S\$32 billion per year. While the Singapore government continues to look at building public rental housing (also known as HDB) to meet public demand, private housing development will also continue to grow steadily. Demand from the construction and real estate industries will also be maintained, thereby stabilising the demand in the tower crane rental industry.

Regarding the Group's Shenzhen operations, the tower crane rental business now covers basically all key regions in the Greater Bay Area. According to relevant information, the value added of the construction industry in Mainland China grew by more than RMB8.3 trillion in 2022, representing a year-on-year increase of 4%. The annual contract value of the construction industry in the PRC was RMB71 trillion, of which Guangdong Province ranked first with a contract value of RMB6.8 trillion, demonstrating the still enormous development potential of the construction industry in the Greater Bay Area. It is expected that the construction output and value added of the industry will grow steadily in 2023, and by the end of the year, the amount of construction projects commenced in the Greater Bay Area will exceed 200,000. There are 1,530 new provincial key projects that commenced construction during the year, with a planned annual investment of RMB1,000 billion, and half of which will commence construction in the second half of 2023. With the commencement of these new projects, the demand for tower cranes in the market will be boosted significantly.

The Group will leverage on the competitive advantages of its respective operating platforms in Singapore, Hong Kong and Mainland China to strengthen inter-regional linkages, such as rapidly facilitating the leasing of tower cranes from Mainland China to Hong Kong to participate in local construction projects, as well as the deployment of machinery between Hong Kong and Singapore to participate in more high-quality project tenders and win tender bids.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

SUBSEQUENT EVENT AFTER REPORTING PERIOD

The Group did not have any other material subsequent event after the reporting period and up to the date of this report.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group had cash and cash equivalents of approximately HK\$25.0 million (At 31 December 2022: approximately HK\$38.4 million).

As at 30 June 2023, the Group's total assets amounted to approximately HK\$584.0 million, representing an increase of approximately HK\$24.5 million as compared to those as at 31 December 2022.

The Group's gearing ratio as at 30 June 2023 was 1.6 (At 31 December 2022: 1.6), which is calculated by dividing the total debts (sum of carrying amounts of other loans, borrowings, and lease liabilities) by the total equity as at the respective dates.

During the Period and as at 30 June 2023, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollar. In particular, the revenue generated from our rental operations in Singapore was primarily denominated in Singapore dollar. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro or United States dollar. For foreign currency purchases, hedging arrangements against foreign exchange fluctuations may be entered into. However, no hedging arrangement was undertaken for revenue generated from our Singapore and the PRC operations.

As at 30 June 2023, the Group had net current liabilities of approximately HK\$83.4 million (At 31 December 2022: approximately HK\$74.1 million).

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of most of the borrowings and finance lease arrangements are charged by reference to prevailing market rates.

The debts (including other loans, borrowings, and lease liabilities) of the Group were denominated in HK\$, Renminbi and Singapore dollar, of which approximately HK\$140.8 million is repayable within one year after 30 June 2023 (At 31 December 2022: approximately HK\$129.1 million) and approximately HK\$95.4 million is repayable more than one year (At 31 December 2022: approximately HK\$84.9 million).

CAPITAL STRUCTURE

As at 30 June 2023, the Company's share capital comprised 1,060,000,000 issued ordinary shares with par value of HK\$0.01 each. There was no change in the share capital of the Company during the Period.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

INVESTMENT POSITION AND PLANNING

During the Period, the Group acquired approximately HK\$62.4 million of plant and equipment and right-of-use assets (2022: approximately HK\$36.8 million).

PLEDGE OF GROUP ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2023:

- (a) the Group's banking facilities were secured by a building of the Group with an aggregate carrying amount of approximately HK\$27.7 million (At 31 December 2022: approximately HK\$28.5 million), property, plant and equipment of approximately HK\$3.2 million (At 31 December 2022: HK\$5.9 million), and corporate guarantees executed by the Company and certain subsidiaries;
- (b) the Group's lease liabilities were secured by property, plant and equipment of approximately HK\$89.6 million (At 31 December 2022: approximately HK\$82.4 million);
- (c) the Group's other borrowings were secured by property, plant and equipment of approximately HK\$31.9 million (At 31 December 2022: approximately HK\$27.1 million) and corporate guarantees executed by the Company and certain subsidiaries; and
- (d) the Group and the Company did not have any significant contingent liabilities (At 31 December 2022: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2023, the Group had a total of 113 (At 31 December 2022: 102) employees in Hong Kong, Singapore and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities. Periodic in-house training is provided to the employees to enhance the knowledge of the workforce.

SIGNIFICANT INVESTMENTS / MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Period.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets as at 30 June 2023.

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required to be: (a) 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 (b) pursuant to section 352 of the SFO, recorded in the register referred therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as is known to the Directors, the following entities or persons other than the Directors and the chief executive of the Company had interests or short positions in the shares of the Company (the "Shares") and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name of Shareholders	Capacity/Nature of interests	Number of Shares interested/held	Approximate percentage of the Company's issued Shares (Note 1)
Mighty Empire Group Limited ("Mighty Empire")	Beneficial owner and a concert party to an agreement	600,020,000 (Note 4)	56.60%
Kaisa Group Holdings Limited ("Kaisa Group")	Interest of a controlled corporation	600,020,000 (Notes 2 and 4)	56.60%
Excel Range Investments Limited ("Excel Range")	Beneficial owner and a concert party to an agreement	600,020,000 (Notes 3 and 4)	56.60%
Ms. Kwok Hiu Ting ("Ms. Kwok HT")	Interest of a controlled corporation	600,020,000 (Notes 3 and 4)	56.60%
Ms. Kwok Hiu Yan ("Ms. Kwok HY")	Interest of a controlled corporation	600,020,000 (Notes 3 and 4)	56.60%
Ms. Kwok Ho Lai ("Ms. Kwok HL")	Interest of a controlled corporation	600,020,000 (Notes 3 and 4)	56.60%
Mr. Chan Mo	Beneficial owner	130,000,000	12.26%

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES *(Continued)*

Notes:

1. The percentage represents the total number of the Shares interested divided by the number of issued Shares of 1,060,000,000 as at 30 June 2023.
2. 324,420,000 Shares, representing approximately 30.60% of the issued share capital of the Company, are held by Mighty Empire which is wholly and beneficially owned by Kaisa Group. Therefore, Kaisa Group is deemed to be interested in the same parcel of Shares held by Mighty Empire under the SFO.
3. Excel Range holds 275,600,000 Shares, representing approximately 26.00% of the issued share capital of the Company, which is owned as to one-third by Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL. Under the SFO, each of Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL is deemed to be interested in the Shares held by Excel Range.
4. Excel Range entered into a deed of undertaking on 28 April 2021 (the “**Acting in Concert Undertaking**”) in favour of Mighty Empire, pursuant to which Excel Range irrevocably and unconditionally undertook to Mighty Empire, among other things, that it will act in concert with Mighty Empire with respect to the Company. The Acting in Concert Undertaking took effect on 29 April 2021. By virtue of the SFO, Mighty Empire, Kaisa Group, Excel Range, Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL are deemed to be interested in the respective Shares held by Mighty Empire and Excel Range, which are 600,020,000 Shares in aggregate, representing approximately 56.6% of the total number of Shares in issue.

Save as disclosed above, as at 30 June 2023, so far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its holding companies and subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

SHARE OPTION SCHEME

At the extraordinary general meeting held on 30 July 2015, the Company adopted a new share option scheme (the **“Share Option Scheme”**) to replace the old share option scheme adopted on 25 June 2010 (the **“Old Scheme”**) for the purpose of providing an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of, the Group. The eligible participants include (a) full-time or part-time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group; and (c) any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Further details of the Share Option Scheme are set out in the Company’s circular dated 13 July 2015.

As at 30 June 2023 and the date of this report, there were no outstanding share options granted under the Old Scheme.

No share option has been granted under the Share Option Scheme since its adoption and therefore, as at 30 June 2023 and the date of this report, there were no outstanding share options granted under the Share Option Scheme and no share option was exercised and cancelled or lapsed during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has, throughout the Period, complied with all the code provisions as set out in the Corporate Governance Code as contained in Appendix 14 to the Listing Rules (the **“CG Code”**).

REVIEW OF FINANCIAL INFORMATION

The Audit Committee of the Company has reviewed the unaudited interim result of the Group for the six months ended 30 June 2023.

The Group’s independent auditor, Baker Tilly Hong Kong Limited, Certified Public Accountants, has conducted a review of the interim financial report in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (**“HKSRE 2410”**) issued by the Hong Kong Institute of Certified Public Accountants. The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2022 and the relevant explanatory notes included in this interim financial report have not been reviewed in accordance with HKSRE 2410. The review report is contained on page 3 of this report.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

During the Period, the Company had no disclosure obligation pursuant to Rule 13.21 of the Listing Rules.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.



DISCLOSURE OF ADDITIONAL INFORMATION *(Continued)*

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code throughout the Period.

By Order of the Board
Kaisa Capital Investment Holdings Limited
Kwok Ying Shing
Chairman and Executive Director

Hong Kong, 29 August 2023