



东胜智慧城市服务  
ORIENT VICTORY SMART URBAN SERVICES



东胜集团  
ORIENT VICTORY GROUP

ORIENT VICTORY SMART URBAN SERVICES HOLDING LIMITED

# 東勝智慧城市服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 265)



2023  
INTERIM REPORT



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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Shi Baodong (*Chairman and Chief Executive Officer*)  
Mr. Mo Yueming  
Mr. Zhao Huining

### Non-executive Director

Ms. Chang Meiqi

### Independent Non-executive Directors

Mr. Dong Xiaojie  
Mr. He Qi  
Mr. Suei Feng-jih

### Audit Committee

Mr. Suei Feng-jih (*Chairman*)  
Mr. He Qi  
Ms. Chang Meiqi

## Remuneration Committee

Mr. Dong Xiaojie (*Chairman*)  
Mr. Shi Baodong  
Mr. Suei Feng-jih

## Nomination Committee

Mr. Shi Baodong (*Chairman*)  
Mr. He Qi  
Mr. Suei Feng-jih

## Company Secretary

Mr. Lam Yu Hon (appointed on 1 August 2023)  
Mr. Liu Kin Wai (resigned on 1 August 2023)

## Independent Auditors

Mazars CPA Limited  
Certified Public Accountants  
42/F Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

## CORPORATE INFORMATION

### Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited  
China Merchants Bank Co., Limited

### Registered Office

P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman, KY1-1205  
Cayman Islands

### Principal Place of Business in Hong Kong

1201B, 12/F  
Tower 1 Admiralty Centre  
18 Harcourt Road  
Admiralty  
Hong Kong

### Share Registrar and Transfer Office in Hong Kong

Union Registrars Limited  
Suites 3301-04, 33/F, Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

### Stock Code

265

### Website

<http://www.orientvictory.com.hk>

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Director(s)”) of Orient Victory Smart Urban Services Holding Limited (the “Company”, together with its subsidiaries the “Group”) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2023 (the “Period”), together with comparative figures for the corresponding period in 2022.

### Industry Overview and Business Review

During the Period, the Group is principally engaged in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development businesses and the diversified tourism products and services businesses. In early 2023, the novel coronavirus disease (2019) (COVID-19) pandemic (the “Pandemic”) came to an end in China. Following the removal of anti-Pandemic measures by the PRC government, the Group’s main businesses maintained steady growth during the Period and the overall revenue and profit both improved. The Group recorded a profit attributable to the equity holders of the Company from continuing operations of approximately HK\$18.2 million (six months ended 30 June 2022: approximately HK\$2.3 million (re-presented)) during the Period.

Set out below is the industrial outlook and performance review for each of the Group’s principal businesses during the Period.

### Property Management Businesses

National policies continue to promote the sound development of the property management industry. In the latest Two Sessions (全國兩會), which were held in March 2023, it was explained that property management should be better integrated into community governance to more effectively identify and resolve the problems of the mass population. The meeting also emphasized the importance of promoting high-quality development, which resonated with the previously promulgated Notice on Strengthening and Improving Residential Property Management (Jianfanggui (2010) 10th Document)\* (關於加強和改進住宅物業管理工作的通知(建房規(2020)10號)) to improve the quality and diversity of property management services and aligned with the general direction of the “14th Five-Year Plan” that requires the quality development of the residential services industries, comprehensive promotion of rural revitalisation, consolidation of achievements in poverty alleviation, improvement in the urban governance level, improvement in community management and service mechanisms, construction of a green policy development system.

## MANAGEMENT DISCUSSION AND ANALYSIS

Hebei Dongsheng Property Management Services Company Limited\* (河北東勝物業服務有限公司) (“Dongsheng PMS”) and its subsidiaries are the Group’s principal operating subsidiaries on the property management operations, which possesses certifications of the ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems). Benefit from the comprehensive strength and service quality, Dongsheng PMS won various awards in the past, including but not limited to the following:

Name of Awards	Awarding Institutions
2022 Hebei Province (Fourth) “Hebei Real Estate Star Warm Heart Property”* (2022河北省(第四屆)“冀房之星·暖心物業”)	Hebei Provincial Housing and Real Estate Industry Association, Hebei Provincial Property Management Industry Association, Hebei News Network* (河北省住宅與房地產業協會、河北省物業管理行業協會、河北新聞網)
2022 Famous Provincial Capital Brand on Property Management in Shijiazhuang City* (二零二二年度石家莊市物業管理省會知名品牌)	Shijiazhuang City Property Management Association* (石家莊市物業管理協會)
Shijiazhuang Excellent Residential Community in Property Management (Dongsheng Ziyufu Jiayuan)* (石家莊市物業管理優秀住宅小區(東勝紫御府嘉苑))	Shijiazhuang City Property Management Association* (石家莊市物業管理協會)
Units with Outstanding Contributions to the Fight against the Epidemic in 2022* (2022年抗擊疫情突出貢獻單位)	Dongli Street Police Garden Community Party Branch* (東里街道警苑社區黨總支)
2023 Companies in terms of Brand Influence on China Property Services* (二零二三中國物業服務品牌影響力企業)	China Real Estate News* (中國房地產報) and China Urban and Regional Governance Research Centre* (中國城市與區域治理研究院)
2022 Companies in terms of Comprehensive Strength on China Property Services* (二零二二中國物業服務年度綜合實力品牌企業)	China Real Estate News* (中國房地產報社) and China International Real Estate & Architectural Technology Fair* (CIHAF中國住交會)
2022 Leading Companies in Property Management Industry in Hebei Province* (二零二二年度河北省物業管理行業先進單位)	Hebei Property Management Institute* (河北省物業管理行業協會)
2022 China Five-Star Property Management Services Project* (二零二二中國五星級物業服務項目)	Beijing China Index Academy* (北京中指信息技術研究院)
2022 Companies of Excellence in China City Property Services Satisfaction* (二零二二中國城市物業服務滿意度優秀企業)	China Index Academy* (中國指數研究院)
2022 Benchmark Companies in terms of Comprehensive Strength on China Property Services* (二零二二中國物業服務綜合實力標桿企業)	China Real Estate News* (中國房地產報社)

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, apart from improving the services quality of its existing projects, Dongsheng PMS and its subsidiaries put effort on operating scale expansion, and won several property management services biddings mainly in Shijiazhuang City, Hebei Province, the PRC, covering properties such as hospitals, colleges, residential buildings and government buildings. As at 30 June 2023, Dongsheng PMS and its subsidiaries had a total contracted gross floor area of approximately 10.0 million square meters (31 December 2022: approximately 8.8 million square meters) under their management.

The Group's existing projects for leasing-related services are located in Shijiazhuang City and Xingtai City, Hebei Province, the PRC. To further expand the Group's scale of leasing-related services, the Group entered into sale and purchase agreements (pre-sale) on 20 January 2022 with Hebei Qifuqianyue Real Estate Development Co., Ltd.\* (河北祈福乾悅房地產開發有限公司) ("Qifuqianyue", which is owned as to 51% by Orient Victory Property Development Company Limited\* (東勝房地產開發有限公司) ("OVPD") (which is wholly-owned by Mr. Shi Baodong ("Mr. Shi")) to acquire 47 commercial units with an estimated aggregate gross floor area of approximately 2,563 square meters located at the city centre of Shijiazhuang City, Hebei Province, the PRC. The delivery of the commercial units is expected to be completed by December 2023 and the Group shall operate the commercial units under operating lease arrangements. Further details of the acquisition are set out in the Company's announcements dated 20 January 2022 and 21 January 2022.

In addition, OVPD and its subsidiaries provided the Group with new business opportunities in relation to the property management services for their real estate projects. On 1 December 2021, the Company and OVPD entered into a framework agreement, pursuant to which OVPD agreed to appoint the Group for the provision of the property management services and the commercial properties and merchants management services for the period from 1 December 2021 to 31 December 2023, which allows the Group to further expand its property management businesses. The services constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and the independent Shareholders approved the relevant framework agreement and transactions contemplated thereunder by way of poll at the extraordinary general meeting held on 16 March 2022. During the Period, revenue of approximately HK\$22.6 million (six months ended 30 June 2022: approximately HK\$24.6 million) was contributed to the Group under these continuing connected transactions.

With the Group's effort on the development of its property management businesses, during the Period, the Group recorded revenue from property management businesses of approximately HK\$84.9 million (six months ended 30 June 2022: approximately HK\$75.8 million), representing an increase of 12% as compared to the corresponding period of last year.

### Environmental Hygiene Businesses

The increasing awareness of environmental protection and governance in the PRC provides ample development opportunities for the environmental hygiene industry. In 2022, the PRC government launched a series of influential policies and implementation measures to support the environmental hygiene related industry. Pursuant to the Urban and Rural Community Sanitation and Cleaning Service Requirements (城鄉社區環衛清潔服務要求) and Urban Road Cleaning and Quality Evaluation Standards (城市道路清掃保潔與品質評價標準), national standards for urban and rural sanitation and cleaning services have been promulgated to uplift the benchmark for the industry. Other policies including the Guidelines for Social Capital Investment in Agriculture and Rural Areas (2022) (社會資本投資農業農村指引(2022年)) has demonstrated the PRC government's initiative to promote the investment and construction of urban and rural environmental protection infrastructures, accelerate the implementation of preferential policies on tax and surcharge for green development, intensify efforts on reforming government procurement services in key areas such as urban and rural community public services and public health services, and speed up the improvement of garbage collection and treatment system to facilitate the construction of smart garbage sorting facilities.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group continued its effort to expand the environmental hygiene businesses. As at 30 June 2023, the Group secured five environmental hygiene service projects at an aggregate annual contract sum of over RMB125 million (equivalent to approximately HK\$134.8 million) across five cities of Hebei Province, the PRC. Revenue of approximately HK\$80.1 million (six months ended 30 June 2022: approximately HK\$11.7 million) was recognised by the Group during the Period. The increase in revenue as compared to the corresponding period of last year was attributable to the full operations of new projects secured in 2022 during the Period, while no revenue was recognised for these new projects during the six months ended 30 June 2022.

### Integrated Development Businesses

The Group's integrated development businesses comprised (i) the operation and management of tourist attractions and cultural spots; (ii) the development and operation of tourism-related facilities; and (iii) the provision of marketing, event planning and consulting services.

The Group's non-wholly owned subsidiary Hebei Tu Men Travel Development Limited\* (河北土門旅遊開發有限公司) ("Tu Men Travel") owns and operates a tourist attraction and cultural spot in Shijiazhuang City, Hebei Province, the PRC which generates tourism attractions related income. Tu Men Travel recorded a revenue of approximately HK\$4.8 million for the Period (six months ended 30 June 2022: approximately HK\$5.7 million). The decrease in the number of visitors and revenue for Tu Men Travel was mainly attributable to the increasing amount of outbound travel in early 2023 and thus, affected the local tourism.

The Group also engaged in the developments of tourism-related facilities in the PRC. During the Period, a piece of land in Shijiazhuang City, Hebei Province, the PRC, with an aggregate site area of 14,637 square meters, is under planning stage and was recognised as inventories in the Group's condensed consolidated financial statements as at 30 June 2023 in the carrying amount of approximately HK\$14.8 million (31 December 2022: approximately HK\$15.3 million).

Pursuant to an agreement dated 28 October 2021 entered into between the Group and a local government authority, a piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate site area of approximately 21,647 square meters, which was recognised as inventories in the consolidated financial statements as at 31 December 2020 in the carrying amount of approximately HK\$102.3 million, was returned to the local government in 2021 for the consideration of approximately RMB85.0 million (equivalent to approximately HK\$102.2 million). Proceeds of RMB75.0 million (equivalent to approximately HK\$80.9 million) was received as at 30 June 2023.

In relation to the marketing, event planning and consulting services, the Group has been operating event planning and all-round event production services in respect of the real estate projects of OVPD in the PRC since 2019. Revenue from the provision of marketing, event planning and consulting services of approximately HK\$7.6 million was recognised during the six months ended 30 June 2022. Owing to the changes in sales and marketing strategy of OVPD since the beginning of 2023, OVPD did not engage the Group for these services during the Period and accordingly no revenue from the provision of marketing, event planning and consulting services was recognised by the Group during the Period.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Diversified Tourism Products and Services Businesses

The Group's diversified tourism products and services segment principally engages in the provision of outbound travel-related services for customers in the PRC and Hong Kong. Such businesses were severely affected by the Pandemic since the early 2020 and a series of disposals took place to scale down this business.

In view of the ongoing losses incurred by Beijing Jinlv Shidai Tourism Co. Limited\*, (北京金旅時代旅行社有限公司) ("Jinlv Shidai"), a then 51%-owned subsidiary of the Group which engaged in the outbound travel businesses in the PRC, pursuant to an agreement dated 27 April 2023 entered into between the Group (as vendor) and the other equity holder of Jinlv Shidai (who is not a connected person of the Company for the purpose of Rule 14A.09(1) of the Listing Rules) (as purchaser), the Group disposed of its 51% equity interest in Jinlv Shidai for the consideration of RMB4.0 million (equivalent to approximately HK\$4.5 million. Upon completion of the disposal on 5 May 2023, Jinlv Shidai ceased to be a subsidiary of the Group, and a gain on disposal of approximately HK\$9.2 million was recognised by the Group during the Period.

In 2022, the Group also disposed of Four Seas Tours Limited, (四海旅行社有限公司) ("Four Seas") due to its continuous loss-making. Fours Seas was a then 65%-owned subsidiary of the Group which was principally engaged in the sale of air tickets and provision of other travel-related services in Hong Kong. The disposal was completed on 30 August 2022 and a net gain on disposal of approximately HK\$6.2 million was recognised by the Group in the second half of 2022.

As the group focused on other business which was relatively less affected by the Pandemic, such as property management business, no revenue in this segment was recorded by the Group for the Period (six months ended 30 June 2022: Nil due to disposal of Four Seas). In view of the recent resumption of outbound travel, the Group will reassess the surrounding business environment and make appropriate arrangement for this business segment with a view to achieving the best interest of the Company and its shareholders as a whole.

### Future Outlook

Looking forward, the Group will uphold its social responsibility aiming at providing customers with high quality services for better quality of life while improving the Group's brand value.

The PRC government's long-term supportive policies on property management and environmental hygiene industries pave a healthy way for the Group's property management businesses and environmental hygiene businesses. The Group will continue to develop and expand its property management businesses and environmental hygiene businesses steadily through organic growth, bidding of new projects and strategic acquisitions and cooperation. The Group will also maintain stable operation and growth for its integrated development businesses.

As for the Group's diversified tourism products and services businesses, the Group will monitor the development of the outbound travel industry and cautiously consider the profitability and resources available before resuming such businesses.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Analysis

#### Operating Performance

##### a. Continuing operations

Analysis by nature of revenue:

	For the six months ended 30 June			
	2023 (unaudited) HK\$'000	%	2022 (unaudited) HK\$'000 (Re-presented)	% (Re-presented)
<b>Property management businesses:</b>				
Property management and leasing related services	84,855	50.0	75,837	75.2
<b>Environmental hygiene businesses:</b>				
Environmental hygiene services	80,068	47.2	11,708	11.6
<b>Integrated development businesses:</b>				
Marketing, event planning and consulting services	-	-	7,612	7.5
Tourism attractions related income	4,775	2.8	5,742	5.7
Sub-total	4,775	2.8	13,354	13.2
<b>Total</b>	<b>169,698</b>	<b>100.0</b>	<b>100,899</b>	<b>100.0</b>

The Group recorded revenue of approximately HK\$169.7 million (six months ended 30 June 2022: approximately HK\$100.9 million (re-presented)) for the Period, representing an increase of approximately 68% as compared to the corresponding period of last year.

The increase in revenue from property management businesses during the Period was mainly attributable to the increased number of property management projects. Details of the business performance of the property management businesses are set out in the section headed “Property Management Businesses” under “Industry Overview and Business Review” in “Management Discussion and Analysis”.

The Group’s environmental hygiene businesses served as another major revenue driver during the Period. Revenue from environmental hygiene businesses increased during the Period as the scale of the five services projects have expanded compared to the prior period. Further details of environmental hygiene business performance are set out in section headed “Environmental Hygiene Businesses” under “Industry Overview and Business Review” in “Management Discussion and Analysis”.

Revenue from the Group’s integrated development businesses for the Period declined slightly mainly due to the drop in the number of visitors for Tu Men Travel. Further details of the business performance of integrated development businesses are set out in section headed “Integrated Development Businesses” under “Industry Overview and Business Review” in “Management Discussion and Analysis”.

## MANAGEMENT DISCUSSION AND ANALYSIS

As the Group focused on other businesses which is relatively less affected by the Pandemic, such as property management business, no revenue from diversified tourism products and services businesses was generated for the Period. Further details of the business performance of the diversified tourism products and services businesses are set out in section headed “Diversified Tourism Products and Services Businesses” under “Industry Overview and Business Review” in “Management Discussion and Analysis”.

### Gross profit

The Group recorded gross profit of approximately HK\$47.2 million (six months ended 30 June 2022: approximately HK\$28.2 million (re-presented)) for the Period, representing an increase of approximately 67% as compared to the corresponding period of last year. The increase in gross profit was primarily attributable to the increase in revenue from environmental hygiene businesses during the Period, which was attributable to the full operations of new projects secured in 2022 during the Period.

The gross profit percentage was approximately 28% during the Period, which was the same (re-present) as compared to the corresponding period of last year.

### Profit for the Period from continuing operations

Profit for the Period from continuing operations amounted to approximately HK\$20.6 million (six months ended 30 June 2022: approximately HK\$1.6 million (re-presented)). Such improvement was attributable to a gain on disposal of 51% equity interest in Jinlv Shidai of approximately HK\$9.2 million and the increase in segment results of the environmental hygiene businesses by approximately HK\$12.1 million during the Period as compared to the corresponding period of last year.

### **b. Discontinued operation**

Included in profit for the period from discontinued operation for the six months ended 30 June 2022 was the results of the Group’s diversified tourism products and services businesses in Hong Kong operated by Four Seas (a then 65%-owned subsidiary of the Group), which was disposed of by the Group on 30 August 2022. Accordingly, results of Four Seas (with net loss of approximately HK\$1.4 million for the period of six months ended 30 June 2022) was classified and presented as a discontinued operation in the Group’s consolidated financial statements, and the comparative figures of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, and corresponding notes have been re-presented to reflect the discontinued operation separately from continuing operations. Further details of the disposal are set out in the section headed “Diversified Tourism Products and Services Businesses” under “Industry Overview and Business Review” in “Management Discussion and Analysis”.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Assets Structure

As at 30 June 2023 and 31 December 2022, the Group's assets mainly included property, plant and equipment and right-of-use assets, investment properties, investments in an associate, inventories, trade receivables, prepayments, deposits and other receivables, amounts due from an associate, restricted bank deposits and cash and cash equivalents, details of which are set out below:

- i. Property, plant and equipment and right-of-use assets of approximately HK\$166.7 million (31 December 2022: approximately HK\$182.7 million) as at 30 June 2023 in aggregate mainly represented (1) properties and other equipment of the tourist attraction and cultural spot owned by Tu Men Travel in the net carrying amount of approximately HK\$110.3 million (31 December 2022: approximately HK\$116.6 million); and (2) vehicles and other equipment of the Group's environmental hygiene businesses in the net carrying amount of approximately HK\$54.3 million (31 December 2022: approximately HK\$63.9 million), which were acquired to cope with the Group's increasing number of environmental hygiene operating projects.
- ii. Investment properties of approximately HK\$74.5 million (31 December 2022: approximately HK\$82.4 million) as at 30 June 2023 represented fair values of the right-of-use assets of non-residential properties located in Shijiazhuang City and Xingtai City, Hebei Province, the PRC leased by the Group from property owners to earn rentals.
- iii. Investments in an associate of approximately HK\$26.5 million (31 December 2022: approximately HK\$27.8 million) as at 30 June 2023 represented the Group's 40% equity interest in Zhangjiakou Dakun Zhifang Real Estate Development Co., Limited\* (張家口大坤直方房地產開發有限公司) ("Dakun Zhifang"). Dakun Zhifang owns a piece of land in Zhangjiakou City, Hebei Province, the PRC with an aggregate site area of 79,039 square meters, which was under preliminary development stage with "Certificate of Permitting Construction and Engineering Planning\*" ("建設工程規劃許可證") obtained in September 2021, and was recognised as investment properties and inventories in the books of Dakun Zhifang as at 30 June 2023 in the carrying amounts of approximately HK\$125.4 million and approximately HK\$91.7 million respectively (31 December 2022: approximately HK\$131.0 million and approximately HK\$95.7 million respectively).

Pursuant to two agreements dated 6 September 2021 (as supplemented on 15 July 2022) entered into between Dakun Zhifang and China Huarong Assets Management Co., Ltd. Hebei Branch\* (中國華融資產管理股份有限公司河北省分公司) ("Hebei Huarong"), the land held by Dakun Zhifang (the "Pledge"), together with other assets owned by Mr. Shi were pledged to Hebei Huarong to secure the repayments of certain borrowings obtained by entities controlled by Mr. Shi from Hebei Huarong in an aggregate principal amount of RMB464.1 million (equivalent to approximately HK\$500.4 million) as at 30 June 2023. The Pledge was wholly released on 25 August 2023.

As at 30 June 2023, the Group's amounts due from Dakun Zhifang (the "Advances", which were made when Dakun Zhifang was a subsidiary of the Company) of approximately HK\$132.6 million (31 December 2022: approximately HK\$141.9 million) are non-interest bearing and repayable on demand.

The obligations of Dakun Zhifang under the Pledge and the repayment of the Advances were guaranteed by the sales proceeds of certain properties held by an entity controlled by Mr. Shi, which shall be remitted into an escrow bank account (the "Arrangement"). As such, the Directors consider that the risk associated with the Pledge and the credit risk arising from the Advances are significantly mitigated by the Arrangement after taking into consideration the estimated market value of the relevant properties and the Advances are expected to be fully recoverable.

## MANAGEMENT DISCUSSION AND ANALYSIS

- iv. Inventories of approximately HK\$15.1 million (31 December 2022: approximately HK\$15.5 million) as at 30 June 2023 mainly represented the carrying amount of a piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate site area of 14,637 square meters under planning stage of approximately HK\$14.8 million (31 December 2022: approximately HK\$15.3 million).
- v. Trade receivables of approximately HK\$128.1 million (31 December 2022: approximately HK\$65.7 million) as at 30 June 2023 were derived from the property management segment of approximately HK\$55.4 million (31 December 2022: approximately HK\$30.3 million), the environmental hygiene segment of approximately HK\$65.3 million (31 December 2022: approximately HK\$14.7 million), and the marketing, event planning and consulting services under the integrated development segment of approximately HK\$7.4 million (31 December 2022: approximately HK\$20.7 million). The increase in trade receivables was mainly attributable to the combined effect of the collection of trade receivables and the recognition of relevant revenue during the Period.
- vi. Prepayments, deposits and other receivables and amounts due from an associate of approximately HK\$206.1 million (31 December 2022: approximately HK\$229.4 million) as at 30 June 2023 mainly represented (1) receivables of approximately HK\$10.8 million (31 December 2022: approximately HK\$31.6 million) for the return of the piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate area of approximately 21,647 square meters as detailed in the section headed “Integrated Development Businesses” under “Business Review” in “Management Discussion and Analysis”; (2) consideration paid for the acquisition of 47 commercial units from Qifuqian Yue in the total amount of approximately HK\$24.7 million (31 December 2022: approximately HK\$25.6 million), which was classified as a non-current asset as at 30 June 2023 and 31 December 2022; and (3) the Advances of approximately HK\$132.6 million (31 December 2022: approximately HK\$141.9 million). The decrease was mainly attributable to the receipt for the return of the afore-mentioned piece of land of RMB18.0 million (equivalent to approximately HK\$20.8 million) during the Period.
- vii. Restricted bank deposits and cash and cash equivalents were approximately HK\$186.7 million (31 December 2022: approximately HK\$206.2 million) as at 30 June 2023. The decrease was mainly attributable to the combined effect of (1) the receipt of approximately HK\$20.8 million in respect of the receivables for the return of the piece of land in Shijiazhuang City, Hebei Province, the PRC with an aggregate site area of approximately 21,647 square meters as detailed in the section headed “Integrated Development Businesses” under “Business Review” in “Management Discussion and Analysis”; and (2) accelerate the payment time of trade payables.

### Liabilities Structure

As at 30 June 2023 and 31 December 2022, the Group’s liabilities mainly included trade payables and contract liabilities, other payables, lease liabilities and obligation under finance lease, details of which are set out below:

- i. Trade payables and contract liabilities of approximately HK\$57.3 million (31 December 2022: approximately HK\$70.8 million (re-presented)) as at 30 June 2023 were mainly derived from the property management segment of approximately HK\$30.1 million (31 December 2022: approximately HK\$28.4 million (re-presented)), the environmental hygiene segment of approximately HK\$9.3 million (31 December 2022: approximately HK\$9.0 million), and the marketing, event planning and consulting services under the integrated development segment of approximately HK\$12.9 million (31 December 2022: approximately HK\$24.4 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

- ii. Other payables of approximately HK\$71.8 million (31 December 2022: approximately HK\$60.2 million (re-presented)) as at 30 June 2023 mainly consisted of other payables of the property management businesses of approximately HK\$22.2 million (31 December 2022: approximately HK\$24.2 million (re-presented)) in aggregate, which mainly comprised receipts in advance from customers of the leasing services and deposits of the property management and leasing services, consideration payable regarding the acquisition of Tu Men Travel of approximately HK\$6.6 million (31 December 2022: approximately HK\$6.9 million), and land and construction costs payable of approximately HK\$3.7 million (31 December 2022: approximately HK\$4.8 million).
- iii. Lease liabilities of approximately HK\$49.2 million (31 December 2022: approximately HK\$54.8 million) as at 30 June 2023 mainly comprised lease liabilities of the right-of-use assets of non-residential properties located in Shijiazhuang City and Xingtai City, Hebei Province, the PRC leased by the Group from property owners to earn rentals of approximately HK\$46.6 million (31 December 2022: approximately HK\$53.1 million).
- iv. Obligation under finance lease of approximately HK\$3.5 million (31 December 2022: nil) as at 30 June 2023 mainly comprised the obligation under finance lease of the machinery and equipments under the environmental hygiene segment to earn revenue.

### Liquidity and Financial Resources

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. During the Period, the Group's operations and investments were supported by internal resources.

As at 30 June 2023, the Group had a current ratio of approximately 3.6 (31 December 2022: approximately 3.4). As the Group had no bank and other borrowings as at 30 June 2023 and 31 December 2022, gearing ratio (calculated by dividing net debt (defined as bank and other borrowings net of cash and cash equivalents) by total equity) was not applicable to the Group as at 30 June 2023 and 31 December 2022.

### Foreign Exchange Exposure

Majority of the subsidiaries of the Group operate in the PRC with most of the transactions denominated and settled in RMB. Fluctuations of exchange rates would impact the Group's net asset value due to currency translation in the preparation of the Group's consolidated accounts. If RMB appreciates/depreciates against HK\$, the Group would record a(n) increase/decrease in the Group's net asset value. During the Period, the Group has not used derivative financial instruments to hedge against its foreign currency risk.

### Capital Commitment

As at 30 June 2023, the Group had capital commitment relating to the investment in an equity security of approximately HK\$16.2 million (31 December 2022: approximately HK\$16.9 million).

### Material Acquisition, Investments and Disposal

Save for the disposal of Jinlv Shidai as disclosed in the section headed "Diversified Tourism Products and Services Businesses" under "Industry Overview and Business Review" in "Management Discussion and Analysis", the Group had no significant investments, material acquisition and disposal of subsidiaries and associated companies during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Pledge of Assets

As at 30 June 2023 and 31 December 2022, the Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited\* (華譽新生活服務(深圳)有限公司), an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company, to secure the issue of the perpetual convertible securities issued on 30 March 2016 with an aggregate principal amount of approximately HK\$70.0 million, details of which are set out in the Company's announcement dated 30 March 2016 and the Company's circular dated 29 January 2016.

### Material Contingent Liabilities

As at 30 June 2023 and 31 December 2022, the Group had no material contingent liabilities.

### Number and Remuneration of Employees

As at 30 June 2023, the total number of employees of the Group was approximately 2,200 (30 June 2022: approximately 1,120). Staff costs (including Directors' emoluments) of approximately HK\$50.2 million (six months ended 30 June 2022: approximately HK\$25.2 million) were incurred during the Period.

In addition to salary, other fringe benefits such as medical insurance and mandatory provident fund schemes for employees, are offered to all employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment to their salaries comparable to that of the market. Individual employees may also receive a discretionary bonus at the end of each year based on their individual performance.

### Interim Dividend

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2022: nil).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the Period, the Company did not redeem any of its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") nor did the Company or any of its subsidiaries purchase or sell any such shares.

## Board Changes and Changes in Directors' Information under Rule 13.51B(1) of the Listing Rules

During the Period and up to the date of this report, there have been changes to the Board and Directors' information as follows:

1. Mr. He Qi resigned as an independent non-executive director of China Merchants Land Limited (stock code: 978) in May 2023.
2. Mr. Swei Feng-jih resigned as the chairman of Tatung (Shanghai) Co., Ltd. (大同(上海)有限公司) in April 2023, and was appointed as the legal representative and the chairman of Suzhou Forward Electronics Technology Co., Ltd. (蘇州福華電子科技有限公司) and Forward Electronics Equipment (Dong Guan) Co., Ltd. (福華電子設備(東莞)有限公司) in June 2023 respectively.

Save as disclosed above, during the Period, there was no other change in information of Directors which is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of rule 13.51 (2) of the Listing Rules.

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debenture

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (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 Future Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 3)
Mr. Shi Baodong ("Mr. Shi")	Interest in a controlled corporation	10,085,983,816 (Note 1)	78.05%
	Beneficial owner	130,239,145 (Note 2)	1.01%
Ms. Chang Meiqi	Beneficial owner	650,000	0.01%
Mr. Dong Xiaojie	Beneficial owner	2,014,285	0.02%



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Notes:

1. Mr. Shi holds 100% equity interest in Orient Victory Real Estate Group Holdings Limited (“OVRE”) and is deemed to be interested in the 10,085,983,816 shares of the Company held by OVRE under the SFO. The interests include the holding of (i) 7,894,494,880 Shares; (ii) the perpetual convertible securities issued in March 2016 (the “2016 March PCS”) convertible into 128,771,155 Shares; and (iii) the perpetual convertible securities issued in October 2016 (the “2016 October PCS”) convertible into 2,062,717,781 Shares.
2. Mr. Shi beneficially owns 130,239,145 Shares as at 30 June 2023.
3. The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company has or is deemed to have any long or short position in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2023, to the best knowledge of the Directors, the following entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 4)
OVRE (Note 1)	Beneficial owner	10,085,983,816	78.05%
Outstanding Global Holdings Limited (“OGH”) (Note 2)	Person having security interests in shares and perpetual convertible securities of the Company	6,507,039,225	50.36%
Chance Talent Management Limited (“CTM”) (Note 3)	Person having security interests in shares and perpetual convertible securities of the Company	6,630,044,868	51.31%

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Notes:

1. OVRE is wholly-owned by Mr. Shi. The interests include the holding of (i) 7,894,494,880 Shares; (ii) the 2016 March PCS convertible into 128,771,155 Shares; and (iii) the 2016 October PCS convertible into 2,062,717,781 Shares.
2. OGH is wholly-owned by China Huarong International Holdings Limited which is indirectly wholly-owned by China Huarong Asset Management Co., Ltd. (a corporation listed on the Stock Exchange (stock code: 2799)). The 6,507,039,225 shares of the Company, in aggregate, comprise security interests in (i) 6,501,273,713 Shares pledged by OVRE; and (ii) the 2016 October PCS (convertible into 5,765,512 Shares) pledged by OVRE.
3. CTM is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is indirectly wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939). The 6,630,044,868 shares of the Company, in aggregate, comprise security interests in (i) 6,501,273,713 Shares pledged by OVRE; and (ii) the 2016 March PCS (convertible into 128,771,155 Shares) pledged by OVRE.
4. The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short positions in the Shares or underlying shares of the Company which would require to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### Share Option Scheme

At the general meeting of the Company held on 5 June 2012, the shareholders approved the adoption of a new share option scheme (the “2012 Option Scheme”) and became effective on 11 June 2012. No share option has been granted under the 2012 Option Scheme since its adoption.

### Compliance with the Corporate Governance Code

The Company had complied with all applicable code provisions as in force during the Period under the “Corporate Governance Code” (the “CG Code”) contained in Appendix 14 of the Listing Rules throughout the Period except for deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Despite the responsibilities of the chairman and the chief executive officer of the Company are vested in Mr. Shi during the Period, all major decisions are made in consultation with the Board. The Board considers that there is sufficient balance of power; and the current corporate arrangement maintains a strong management position of the Company.

### Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors.

Specific enquiries have been made with all the Directors, who have confirmed that they complied with the required standards as set out in the Model Code throughout the Period.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Audit Committee and Review of Interim Results

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee presently comprises two independent non-executive Directors, namely Mr. Swei Feng-jih (being the chairman of the Audit Committee) and Mr. He Qi, and a non-executive Director, namely, Ms. Chang Meiqi. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and internal control of the Group. The interim results of the Group for the Period have not been audited, but have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of the Listing Rules have been complied with, in the preparation of relevant results, and sufficient disclosures have been made.

### Constitutional Documents

In an annual general meeting of the Company held on 30 June 2023, the Company adopted the amended and restated memorandum and articles of association of the Company (the “Amended M&A”) by way of special resolution. The full version of the Amended M&A has been published on the websites of the Stock Exchange and the Company respectively.

### Appreciation

The Board would like to express its sincere thanks to our shareholders and business partners for their continuous support and our staff for their dedication and hard work throughout the Period.

By order of the Board

**Orient Victory Smart Urban Services Holding Limited**

**Shi Baodong**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 30 August 2023

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023  
(expressed in Hong Kong dollars ("HK\$"))

	Notes	For the six months ended 30 June	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented) (note)
<b>Continuing operations:</b>			
<b>Revenue</b>	3	<b>169,698</b>	100,899
Cost of sales and services		(122,459)	(72,735)
<b>Gross profit</b>		<b>47,239</b>	28,164
Other income		2,398	2,619
Selling, general and administrative expenses		(34,262)	(21,292)
Share of results of an associate		(71)	(102)
Fair value changes on investment properties		(4,568)	(4,770)
Gain on disposal of interest in a subsidiary		9,198	-
Finance costs	4	(1,439)	(1,588)
<b>Profit before taxation</b>	5	<b>18,495</b>	3,031
Income tax	6	2,141	(1,412)
<b>Profit for the period from continuing operations</b>		<b>20,636</b>	1,619
<b>Discontinued operation:</b>			
Profit for the period from discontinued operation		-	1,358
<b>Profit for the period</b>		<b>20,636</b>	2,977
<b>Attributable to:</b>			
Equity holders of the Company			
- continuing operations		18,159	2,320
- discontinued operation		-	883
		<b>18,159</b>	3,203
Non-controlling interests			
- continuing operations		2,477	(701)
- discontinued operation		-	475
		<b>2,477</b>	(226)
<b>Profit for the period</b>		<b>20,636</b>	2,977
<b>Basic and diluted earning (loss) per share</b>			
- continuing operations	7	<b>HK0.10 cent</b>	(HK0.067 cent)
- discontinued operation		-	HK0.007 cent

Note: The re-presentation of comparative information is attributable to the discontinued operation.

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023  
(expressed in HK\$)

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented) (note)
<b>Profit for the period</b>	<b>20,636</b>	2,977
<b>Other comprehensive loss</b>		
<i>Items that are reclassified or may be reclassified subsequently to profit or loss:</i>		
- exchange differences on translation of foreign operations	(22,852)	(22,836)
- exchange difference on translation of share of other comprehensive income of an associate	(1,192)	(1,620)
	(24,044)	(24,456)
<b>Total comprehensive loss for the period</b>	<b>(3,408)</b>	(21,479)
<b>Attributable to:</b>		
Equity holders of the Company		
- continuing operations	(5,207)	(20,709)
- discontinued operation	-	883
	(5,207)	(19,826)
Non-controlling interests		
- continuing operations	1,799	(2,128)
- discontinued operation	-	475
	1,799	(1,653)
<b>Total comprehensive loss for the period</b>	<b>(3,408)</b>	(21,479)

Note: The re-presentation of comparative information is attributable to the discontinued operation.

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023  
(expressed in HK\$)

	Notes	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
<b>Non-current assets</b>			
Goodwill		-	-
Property, plant and equipment	8	140,067	155,629
Investment properties		74,542	82,437
Right-of-use assets		26,603	27,046
Intangible assets		93	109
Investments in an associate		26,515	27,779
Prepayments, deposits and other receivables		25,745	25,614
Deferred tax assets		3,831	2,088
		<b>297,396</b>	<b>320,702</b>
<b>Current assets</b>			
Inventories		15,060	15,535
Trade receivables	9	128,110	65,656
Amounts due from an associate		132,622	141,901
Prepayments, deposits and other receivables		47,755	61,854
Restricted bank deposits		-	315
Cash and cash equivalents		186,651	205,857
		<b>510,198</b>	<b>491,118</b>
<b>Current liabilities</b>			
Trade payables	10	35,302	45,545
Contract liabilities		22,006	25,297
Other payables		71,779	60,194
Tax payable		5,907	5,337
Lease liabilities		5,535	7,704
Obligation under finance lease	11	1,679	-
Provisions		-	930
		<b>142,208</b>	<b>145,007</b>
<b>Net current assets</b>		<b>367,990</b>	<b>346,111</b>
<b>Total assets less current liabilities</b>		<b>665,386</b>	<b>666,813</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023  
(expressed in HK\$)

	Notes	At 30 June 2023 (unaudited) HK\$'000	At 31 December 2022 (audited) HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		43,625	47,134
Obligation under finance lease	11	1,823	–
Deferred tax liabilities		10,835	12,734
Provisions		–	662
		<b>56,283</b>	<b>60,530</b>
<b>NET ASSETS</b>		<b>609,103</b>	<b>606,283</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	12	64,610	64,610
Perpetual convertible securities		296,274	296,274
Reserves		223,174	228,272
<b>Equity attributable to equity holders of the Company</b>		<b>584,058</b>	<b>589,156</b>
<b>Non-controlling interests</b>		<b>25,045</b>	<b>17,127</b>
<b>TOTAL EQUITY</b>		<b>609,103</b>	<b>606,283</b>

Approved and authorised for issue by the board of directors on 30 August 2023.

**Shi Baodong**  
*Chairman*

**Mo Yueming**  
*Director*

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023  
(expressed in HK\$)

	Attributable to equity owners of the Company							Non-controlling interests (unaudited) HK\$'000	Total equity (unaudited) HK\$'000						
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Perpetual convertible securities (unaudited) HK\$'000	Exchange reserve (unaudited) HK\$'000	Accumulated losses (unaudited) HK\$'000	Total (unaudited) HK\$'000	Total (unaudited) HK\$'000								
										Attributable to equity owners of the Company					
<b>At 1 January 2022</b>	64,610	635,537	296,274	23,590	(396,637)	623,374	22,620	645,994							
Profit (Loss) for the period	-	-	-	-	3,203	3,203	(226)	2,977							
Other comprehensive loss	-	-	-	(23,029)	-	(23,029)	(1,427)	(24,456)							
Total comprehensive income (loss) for the period	-	-	-	(23,029)	3,203	(19,826)	(1,653)	(21,479)							
<b>Transactions with owners:</b>															
<i>Contribution and distribution</i>															
Contribution from a non-controlling shareholder	-	-	-	-	-	-	3,305	3,305							
Distributions to holders of perpetual convertible securities	-	-	-	-	(7,937)	(7,937)	-	(7,937)							
Equity-settled share-based transactions	-	83	-	-	-	83	-	83							
	-	83	-	-	(7,937)	(7,854)	3,305	(4,549)							
<b>At 30 June 2022</b>	64,610	635,620	296,274	561	(401,371)	595,694	24,272	619,966							

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023  
(expressed in HK\$)

	Attributable to equity owners of the Company								Total equity (unaudited) HK\$'000		
	Share capital (unaudited) HK\$'000	Share premium (unaudited) HK\$'000	Perpetual convertible securities (unaudited) HK\$'000	Exchange reserve (unaudited) HK\$'000	Other reserve (unaudited) HK\$'000	Accumulated losses (unaudited) HK\$'000	Total (unaudited) HK\$'000	Non-controlling interests (unaudited) HK\$'000			
	<b>At 1 January 2023</b>	64,610	635,756	296,274	(22,032)	(2,760)	(382,692)	589,156		17,127	606,283
	Profit (Loss) for the period	-	-	-	-	-	18,159	18,159		2,477	20,636
Other comprehensive loss	-	-	-	(23,366)	-	-	(23,366)	(678)	(24,044)		
Total comprehensive income (loss) for the period	-	-	-	(23,366)	-	18,159	(5,207)	1,799	(3,408)		
<b>Transactions with owners:</b>											
<i>Contribution and distribution</i>											
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(844)	(844)		
Equity-settled share-based transactions	-	109	-	-	-	-	109	-	109		
	-	109	-	-	-	-	109	(844)	(735)		
<i>Changes in ownership interests</i>											
Disposal of a subsidiary	-	-	-	-	-	-	-	6,963	6,963		
	-	109	-	-	-	-	109	6,119	6,228		
<b>At 30 June 2023</b>	64,610	635,865	296,274	(45,398)	(2,760)	(364,533)	584,058	25,045	609,103		

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023  
(expressed in HK\$)

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Net cash (used in) generated from operating activities	(50)	26,902
Net cash (used in) generated from investing activities	(820)	34,901
Net cash used in financing activities	(4,412)	(10,392)
Net (decrease) increase in cash and cash equivalents	(5,282)	51,411
Cash and cash equivalents at 1 January	205,857	255,219
Effect of foreign exchange rate changes	(13,924)	(11,753)
Cash and cash equivalents at 30 June	186,651	294,877

The notes on pages 26 to 40 form part of these condensed consolidated financial statements.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

## 1 Corporate information

The Company is an exempted limited company incorporated in the Cayman Islands. The registered office of the Company is located at P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the Period, the Group is principally engaged in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development businesses and the diversified tourism products and services businesses. In the opinion of the Directors, the immediate and ultimate holding company of the Company is Orient Victory Real Estate Group Holdings Limited (東勝置業集團控股有限公司), which is incorporated in the British Virgin Islands ("BVI") and is wholly-owned by Mr. Shi Baodong ("Mr. Shi"), the controlling shareholder, an executive Director and the chief executive officer of the Company.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the functional currency of the Group, except for the subsidiaries established in the People's Republic of China (the "PRC") whose functional currency are Renminbi ("RMB"). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## 2 Basis of preparation

The condensed consolidated interim financial statements of the Group for the Period (the "Interim Financial Statements") are unaudited but have been reviewed by the audit committee of the Company. These Interim Financial Statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The Interim Financial Statements have been prepared under the historical cost basis, except for investment properties which are measured at fair values. The Interim Financial Statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022 (the "2022 Annual Financial Statements"). The accounting policies adopted in the Interim Financial Statements are consistent with those applied in the preparation of the 2022 Annual Financial Statements, except for the adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs"), which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2023 as described below.

Amendments to HKAS 1 and HKFRS Practice Statement 2 (Amendments)	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 January 2023.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 3 Revenue and segment reporting

#### (a) Revenue

Revenue represents the consideration received or expected to be received in respect of the transfer of goods and services in accordance with HKFRS 15, and rental income derived from the leasing services, which is recognised under the scope of HKFRS 16. The amount of each significant category of revenue recognised during the Period is as follows:

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented)
<b>Continuing operations</b>		
<b>Revenue from contracts with customers within HKFRS 15 – At fixed price:</b>		
Property management services	72,007	65,043
Environmental hygiene services	80,068	11,708
Marketing, event planning and consulting services	–	7,612
Tourism attractions related income	4,775	5,742
	<b>156,850</b>	<b>90,105</b>
<b>Revenue from other sources:</b>		
Rental income	12,848	10,794
	<b>169,698</b>	<b>100,899</b>

Disaggregation of revenue from contracts with customers within HKFRS 15 are shown in segment disclosures in note 3(b) of this results announcement.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 3 Revenue and segment reporting (*continued*)

#### (b) Segment reporting

Information reported to the executive Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods and services delivered by each operating division.

The Group's operating divisions are as follows:

Continuing reportable segments:

- the property management segment, which involves the provision of property management and leasing services for residential and commercial properties in the PRC.
- the environmental hygiene segment, which involves the provision of environmental hygiene services for urban and rural areas in the PRC.
- the integrated development segment, which involves the development and operation of tourism and cultural attractions, and the provision of marketing, event planning and consulting services in the PRC.
- the diversified tourism products and services segment, which comprises the provision of travel related and other services principally to corporate clients in the PRC.

Discontinued reportable segment:

- the diversified tourism products and services segment in Hong Kong (which mainly comprised sales of air tickets) operated by Four Seas Tours Limited ("Four Seas"), a then 65%-owned subsidiary of the Group, which was disposed of by the Group on 22 August 2022 and the completion of which was on 30 August 2022.

Accordingly, results of Four Seas for the six months ended 30 June 2022 were classified and re-presented as a discontinued operation in the Group's condensed consolidated financial statements to show the discontinued operation separately from continuing operations.

Segment performance is evaluated based on reportable segment profit (loss), which is a measure of adjusted profit (loss) before tax. For continuing reportable segments, the adjusted profit (loss) before tax is measured consistently with the Group's profit (loss) before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Segment assets and liabilities include all assets and liabilities with the exception of cash and cash equivalents, restricted bank deposits and head office and corporate assets and liabilities, which are managed centrally.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Period and the six months ended 30 June 2022 is set out below.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
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### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting (continued)

##### (i) By business segment

Segment result

	For the six months ended 30 June												
	Continuing operations										Discontinued operation		
	Property management		Environment hygiene		Integrated development		Diversified tourism products and services		Sub-total		Four Seas	Total	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
								(Re-presented) (note)	(Re-presented) (note)	(Re-presented) (note)		(Re-presented) (note)	
Disaggregated by timing of revenue recognition:													
- Point in time	-	-	-	-	-	-	-	-	-	-	23,895	-	23,895
- Over time	72,007	65,043	80,068	11,708	4,775	13,354	-	-	156,850	90,105	-	156,850	90,105
	72,007	65,043	80,068	11,708	4,775	13,354	-	-	156,850	90,105	23,895	156,850	114,000
Rental income	12,848	10,794	-	-	-	-	-	-	12,848	10,794	-	12,848	10,794
Reportable segment revenue	84,855	75,837	80,068	11,708	4,775	13,354	-	-	169,698	100,899	23,895	169,698	124,794
Segment results	14,507	13,456	7,588	(4,489)	(6,016)	(2,438)	9,081	6,581	25,160	13,110	1,388	25,160	14,498
Corporate and other unallocated income and expenses, net									(5,226)	(8,491)	-	(5,226)	(8,491)
Finance costs									(1,439)	(1,588)	(30)	(1,439)	(1,618)
Profit before taxation									18,495	3,031	1,358	18,495	4,389

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
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### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting (continued)

##### (i) By business segment (continued)

Segment assets and liabilities

	Continuing operations										Discontinued operation	Total	
	Property management		Environment hygiene		Integrated development		Diversified tourism products and services		Sub-total		Diversified tourism products and services - Four Seas		
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	31 December 2022		
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(audited)	(unaudited)	(audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	171,690	153,302	138,306	92,772	305,108	356,896	3,979	825	619,083	603,795	-	619,083	603,795
Corporate and other unallocated assets												188,511	208,025
Total assets												807,594	811,820
Segment liabilities	118,768	118,891	36,229	18,680	38,412	47,537	4,075	16,671	197,484	201,779	-	197,484	201,779
Corporate and other unallocated liabilities												1,007	3,758
Total liabilities												198,491	205,537

Note: The re-presentation of comparative information is attributable to (i) the discontinued operation; and (ii) the reclassification of certain comparative figures, where necessary, to conform to the basis of presentation and the classification adopted in the current period.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting (continued)

##### (ii) Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets (excluding investments in an associate and deferred tax assets). The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations.

	Revenue from external customers (Continuing operations)		Revenue from external customers (Discontinued operation)		Non-current assets	
	For the six months ended 30 June				30 June	31 December
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented)	2023 (unaudited) HK\$'000 (Re-presented)	2022 (unaudited) HK\$'000 (Re-presented)	2023 (unaudited) HK\$'000	2022 (audited) HK\$'000
Hong Kong (place of domicile)	-	-	-	23,895	1,778	2,630
Mainland China	169,698	100,899	-	-	265,272	288,205
	169,698	100,899	-	23,895	267,050	290,835

##### (iii) Information about major customer's revenue from customers contributing 10% or more of the total revenue of the Group as follows:

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
	Customer A (Note)	22,562

Note: It represented the revenue from related companies controlled by Mr. Shi and Orient Victory Property Development Group Co., Ltd, which is wholly-owned by Mr. Shi, under the property management segment (30 June 2022: property management segment and integrated development segment).



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 4 Finance costs

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented)
<b>Continuing operations</b>		
Interest on lease liabilities	1,312	1,459
Interest on finance lease liabilities	80	–
Interest on other borrowings	47	129
	<b>1,439</b>	<b>1,588</b>

### 5 Profit before taxation

This is stated after charging (crediting):

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000 (Re-presented)
<b>Continuing operations</b>		
Staff costs, including Directors' emoluments:		
Wages, salaries and other benefits	43,960	19,652
Contribution to defined contribution scheme	6,140	2,925
Equity-settled share-based payment expenses	109	83
	<b>50,209</b>	<b>22,660</b>
Other items:		
Amortisation of intangible assets	23	11
Depreciation:		
– property, plant and equipment	11,848	2,599
– right-of-use assets	970	1,001
Cost of inventories sold	203	1,056
Direct operating expenses arising from investment properties that generated rental income	1,835	1,078
Loss allowance on trade receivables	9,581	3,455
Provision (Reversal) of bad debt		
– trade receivables	4,458	–
– other receivables	28	(5,940)
Exchange (gain) loss, net	(539)	2,313

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 6 Taxation

The PRC Enterprise Income Tax (“EIT”) in respect of operations in Mainland China is calculated at a rate of 25% (30 June 2022: 25%) on the estimated assessable profits for the periods based on existing legislation, interpretations and practices in respect thereof.

For the Period and the six months ended 30 June 2022, Hong Kong Profits Tax has not been provided as the Group incurred losses for taxation purpose in Hong Kong for both periods.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Company and the subsidiaries of the Group incorporated in the Cayman Islands and the BVI are not subject to any income tax in the Cayman Islands and the BVI.

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Continuing operations</b>		
<b>Current tax – EIT</b>		
Current period	1,419	1,832
<b>Deferred tax</b>		
Reversal of temporary differences	(3,560)	(420)
	<b>(2,141)</b>	<b>1,412</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 7 Basic and diluted earnings (loss) per share

The calculation of the basic and diluted earnings (loss) per share of the Company is based on the following data:

	For the six months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Continuing operations</b>		
Profit attributable to the equity holders of the Company	18,159	2,320
Distribution paid to the holders of perpetual convertible securities	-	(7,937)
Accrued distributions to the holders of perpetual convertible securities	(5,054)	(2,452)
	13,105	(8,069)
<b>Discontinued operation</b>		
Profit attributable to the equity holders of the Company	-	883

	For the six months ended 30 June	
	2023 Number of shares (unaudited) '000	2022 Number of shares (unaudited) '000
Weighted average number of ordinary shares for the purposes of calculating basic earnings (loss) per share	12,922,075	12,922,075

The computation of diluted earnings (loss) per share for the Period and the six months ended 30 June 2022 did not assume the conversion of the perpetual convertible securities and the issue of certain shares under the share award scheme since their assumed conversion and issue during the periods would have an anti-dilutive effect on the basic earnings (loss) per share amount presented.

### 8 Property, plant and equipment

Included in property, plant and equipment of HK\$4,467,000 (31 December 2022: Nil) were the machinery and equipment in respect of assets held under finance leases as at 30 June 2023.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 9 Trade receivables

	30 June 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000
Trade receivables		
– From third parties	81,513	23,698
– From related parties in which Mr. Shi, a Director, has beneficial interest	65,946	53,942
	147,459	77,640
Loss allowance	(19,349)	(11,984)
	128,110	65,656

For third party customers under property management segment, the Group charges property management fees on an annual or a semi-annual basis and the payment is generally due upon the issuance of demand notes. For other business segments, the Group grants a credit period of up to 90 days to its customers.

The ageing analysis of trade receivables (net of loss allowance) by invoice date is summarised as follows:

	30 June 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000
Within 90 days	55,572	30,195
91 to 180 days	41,181	19,317
181 to 365 days	28,624	11,481
Over 365 days	2,733	4,663
	128,110	65,656

Loss allowance on trade receivables of HK\$9,581,000 (six months ended 30 June 2022: HK\$3,455,000) was recognised in profit or loss during the Period.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 10 Trade payables

	<b>30 June 2023 (unaudited) HK\$'000</b>	31 December 2022 (audited) HK\$'000
Trade payables		
– To third parties	33,223	45,366
– To related parties	2,079	179
	<b>35,302</b>	<b>45,545</b>

The ageing analysis of trade payables by invoice date is summarised as follows:

	<b>30 June 2023 (unaudited) HK\$'000</b>	31 December 2022 (audited) HK\$'000
Within 90 days	10,320	19,072
91 to 180 days	6,291	7,927
181 to 365 days	8,286	10,235
Over 365 days	10,405	8,311
	<b>35,302</b>	<b>45,545</b>

All trade payables are expected to be settled within one year or are repayable on demand.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
(expressed in HK\$ unless otherwise indicated)

### 11 Obligation under finance lease

	Minimum lease payments		Present value of minimum lease payments	
	30 June 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000	30 June 2023 (unaudited) HK\$'000	31 December 2022 (audited) HK\$'000
Amount payable				
Within one year	1,938	–	1,679	–
In the second to fifth years inclusive	1,938	–	1,823	–
	3,876	–	3,502	–
Future finance charges	(374)	–		
Total net finance lease payable	3,502	–		
Total net finance lease payables which are classified as current liabilities	(1,679)	–		
Total net finance lease payables which are classified as non-current liabilities	1,823	–		

The machinery and equipment of the Group are under finance leases for a lease term of two years. During the Period, the annual effective interest rates of the obligations under finance leases in relation to machinery and equipment are in the range from 2.2% to 2.5%. The obligations under finance leases are denominated in RMB and the carrying amounts approximate its fair value.

### 12 Share capital

	30 June 2023		31 December 2022	
	Number of ordinary shares (unaudited) '000	(unaudited) HK\$'000	Number of ordinary shares (audited) '000	(audited) HK\$'000
<b>Authorised:</b>				
At the beginning and the end of the reporting period, ordinary shares of HK\$0.005 each	20,000,000	100,000	20,000,000	100,000
<b>Issued and fully paid:</b>				
At the beginning and the end of the reporting period, ordinary shares of HK\$0.005 each	12,922,075	64,610	12,922,075	64,610

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
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### 13 Interim dividend

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2022: nil).

### 14 Perpetual Convertible Securities

On 30 March 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK\$170,000,000 (the “2016 March PCS”). The net proceeds of HK\$155,668,000 were recorded as equity. The Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited, an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company, to secure the issue of the 2016 March PCS.

On 24 October 2016, the Company issued perpetual convertible securities in an aggregate principal amount of HK\$264,867,000 (the “2016 October PCS”, together with the 2016 March PCS, the “PCS”). The amount of HK\$240,888,000 were recorded as equity.

The PCS have no fixed maturity dates. The Company may at its option redeem in whole or in part of the PCS. The PCS are convertible at the option of the holders into ordinary shares in the Company on a one-to-one ratio at the conversion price of HK\$0.5436 and HK\$0.128 per ordinary share of the Company for the 2016 March PCS and the 2016 October PCS, respectively.

Distributions at a rate of 6% per annum shall be payable on the PCS semi-annually and 2016 March PCS and 2016 October PCS may be deferred and cancelled respectively at the sole discretion of the Company unless compulsory distribution payment events (including a discretionary dividend to ordinary shareholders of the Company or repaying any securities of lower rank or early redemption of securities prior to its stated maturity) has occurred.

In 2017 and 2018, 1,330,000 units and 1,000,000 units of the 2016 October PCS have been converted into ordinary shares in the Company respectively.

At 30 June 2023 and 31 December 2022, there were 2,066,942,901 units of the 2016 October PCS in an aggregate principal amount of HK\$264,569,000 outstanding.

In respect of the distributions in the first half of 2022 and second half of 2022, on 25 April 2022 and 10 October 2022, the Company paid out distributions of HK\$7,937,000 and HK\$7,937,000 to the holders of 2016 October PCS respectively. On 8 March 2023, the Company announced to cancel the distribution to holders of the 2016 October PCS, which was originally schedule to be made on 24 April 2023 at the distribution rate of 6% per annum.

On 20 May 2019, 183,958,793 units of the 2016 March PCS have been redeemed by the Company at the total amount of HK\$100,000,000. At 30 June 2023 and 31 December 2022, there were 128,771,155 units of the 2016 March PCS in an aggregate principal amount of HK\$70,000,000 outstanding.

In respect of the accumulated distributions of HK\$16,800,000 to the holder of 2016 March PCS which were originally scheduled to be made on 30 September 2019, 30 March 2020, 30 September 2020, 30 March 2021, 30 September 2021, 30 March 2022, 30 September 2022 and 30 March 2023 at the distribution rate of 6% per annum, such contingent distributions of HK\$16,800,000 might be made in future.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023  
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### 15 Capital Commitment

As at 30 June 2023, the Group had capital commitment relating to the investment in an equity security of approximately HK\$16,174,000 (31 December 2022: approximately HK\$16,894,000).

### 16 Material Related Party Transactions

Other than disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with related parties during the six months ended 30 June 2023:

Relationships	Nature of transactions	Notes	For the six months ended 30 June	
			2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Key management personnel remuneration	Salaries, bonus, allowance and other short-term benefits		3,948	3,787
	Contributions to defined contribution plans		36	36
			<b>3,984</b>	<b>3,823</b>
Related company controlled by Mr. Shi	Marketing, event planning and consulting services	(i)	-	7,612
	Property management services	(i)	3,486	4,186
	Commercial properties and merchants management services	(i)	19,076	20,408
Non-controlling shareholders of subsidiaries	Purchase of air tickets	(i)	-	19,489
	Management service fee	(i)	-	120
	Provision of environmental hygiene services		-	11,708
	Borrowing raised		-	1,257

Note:

- (i) These transactions constitute continuing connected transactions under the Listing Rules.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 17 Fair Value Measurement of Financial Instruments

Management has assessed that the fair value of cash and cash equivalents, trade receivables, advances to an associate, financial assets included in prepayments, deposits and other receivables, trade payables, and financial liabilities included in other payables and accruals approximates to their carrying amounts largely due to the short-term maturities of these instruments.

Lease liabilities and finance lease liabilities have been measured at fair value at initial recognition and subsequently measured at amortised cost using the effective interest method. Management has assessed that the fair value of lease liabilities and finance lease liabilities approximates to their carrying amount.

\* *for identification purpose only*