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# HONGKONG CHINESE LIMITED

香港華人有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 655)

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Board of Directors of Hongkong Chinese Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	3	<b>36,177</b>	36,862
Cost of sales		(1,203)	(1,131)
<b>Gross profit</b>		<b>34,974</b>	35,731
Administrative expenses		(8,784)	(17,438)
Other operating expenses	5	(7,397)	(9,917)
Other losses — net	4	(309)	(129)
Finance costs		(14,790)	(11,337)
Share of results of associates		10,021	2,954
Share of results of joint ventures	6	(432,682)	90,555
<b>Profit/(Loss) before tax</b>	5	<b>(418,967)</b>	90,419
Income tax	7	(3,000)	(2,248)
<b>Profit/(Loss) for the period</b>		<b>(421,967)</b>	88,171
<b>Attributable to:</b>			
Equity holders of the Company		(421,610)	88,679
Non-controlling interests		(357)	(508)
		<b>(421,967)</b>	88,171
		<b>HK cents</b>	<b>HK cents</b>
<b>Earnings/(Loss) per share attributable to equity holders of the Company</b>	8		
Basic and diluted		(21.1)	4.4

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2024

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(Loss) for the period</b>	<b>(421,967)</b>	<b>88,171</b>
<b>Other comprehensive income/(loss)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(13,274)	(7,898)
Exchange differences reclassified to profit or loss upon liquidation of foreign operations	35	-
Share of other comprehensive loss of joint ventures:		
Exchange differences on translation of foreign operations	(357,790)	(179,684)
Other reserve	(755)	(145)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax	(371,784)	(187,727)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity instruments at fair value through other comprehensive income	(2)	(5)
Share of changes in fair value of equity instruments at fair value through other comprehensive income of joint ventures	(85,776)	(76,299)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	(85,778)	(76,304)
Other comprehensive loss for the period, net of tax	(457,562)	(264,031)
<b>Total comprehensive loss for the period</b>	<b>(879,529)</b>	<b>(175,860)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(879,059)	(174,831)
Non-controlling interests	(470)	(1,029)
	<b>(879,529)</b>	<b>(175,860)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Fixed assets		9,902	7,984
Investment properties		129,739	131,289
Right-of-use assets		123	263
Interests in associates		299,395	297,534
Interests in joint ventures	6	9,667,424	10,479,831
Financial assets at fair value through other comprehensive income		65	72
Financial assets at fair value through profit or loss		2,780	2,850
		<b>10,109,428</b>	<b>10,919,823</b>
<b>Current assets</b>			
Properties held for sale		63,892	64,266
Properties under development		20,636	23,408
Debtors, prepayments and other assets	10	1,781	4,143
Financial assets at fair value through profit or loss		219	226
Tax recoverable		736	761
Cash and cash equivalents		124,900	145,457
		<b>212,164</b>	<b>238,261</b>
<b>Current liabilities</b>			
Lease liabilities		127	269
Other payables, accruals and other liabilities		17,922	21,403
Tax payable		31,936	30,401
		<b>49,985</b>	<b>52,073</b>
<b>Net current assets</b>		<b>162,179</b>	<b>186,188</b>
<b>Total assets less current liabilities</b>		<b>10,271,607</b>	<b>11,106,011</b>
<b>Non-current liabilities</b>			
Bank loans		497,444	465,667
Deferred tax liabilities		11,197	11,352
		<b>508,641</b>	<b>477,019</b>
<b>Net assets</b>		<b>9,762,966</b>	<b>10,628,992</b>
<b>Equity</b>			
Equity attributable to equity holders of the Company			
Share capital		199,828	199,828
Reserves		9,547,438	10,412,994
		<b>9,747,266</b>	<b>10,612,822</b>
Non-controlling interests		15,700	16,170
<b>Total equity</b>		<b>9,762,966</b>	<b>10,628,992</b>

Note:

## 1. BASIS OF PREPARATION

The interim results are unaudited, condensed and have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023. The interim results have been reviewed by the audit committee of the Company.

The accounting policies adopted in the preparation of the interim results are consistent with those applied in the preparation of the Group’s annual financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations for the first time for the current period’s interim results:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised HKFRSs has had no significant financial effect on the interim results. The Group has not applied any new or revised HKFRSs, HKASs and Interpretations that are not yet effective for the current financial period.

## 2. SEGMENT INFORMATION

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

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

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

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

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

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

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

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
<b>Six months ended 30 June 2024</b>						
<b>Revenue — external</b>	<b>34,681</b>	<b>-</b>	<b>1,285</b>	<b>-</b>	<b>211</b>	<b>36,177</b>
<b>Segment results</b>	<b>16,328</b>	<b>(1,954)</b>	<b>1,285</b>	<b>(80)</b>	<b>(1,189)</b>	<b>14,390</b>
Unallocated corporate expenses						(10,696)
Share of results of associates	-	10,021	-	-	-	10,021
Share of results of joint ventures	(432,682)	-	-	-	-	(432,682)
Loss before tax						(418,967)
<b>Other segment information:</b>						
Depreciation	(13)	(27)	-	-	(138)	(178)
Interest income	31,075	-	1,285	-	-	32,360
Finance costs	(14,786)	-	-	-	(4)	(14,790)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(77)	-	(77)
Unallocated:						
Capital expenditure ( <i>Note</i> )						2,551
Depreciation						(439)
Loss on disposal of fixed assets						(2)
Realised translation loss reclassified to the statement of profit or loss relating to liquidation of foreign operations						(35)
<b>Six months ended 30 June 2023</b>						
<b>Revenue — external</b>	<b>34,790</b>	<b>-</b>	<b>1,822</b>	<b>2</b>	<b>248</b>	<b>36,862</b>
<b>Segment results</b>	<b>20,030</b>	<b>(2,679)</b>	<b>1,822</b>	<b>(140)</b>	<b>(1,391)</b>	<b>17,642</b>
Unallocated corporate expenses						(20,732)
Share of results of associates	-	2,954	-	-	-	2,954
Share of results of joint ventures	90,555	-	-	-	-	90,555
Profit before tax						90,419
<b>Other segment information:</b>						
Capital expenditure ( <i>Note</i> )	45	10	-	-	-	55
Depreciation	(18)	(1)	-	-	(140)	(159)
Interest income	31,195	-	1,822	-	-	33,017
Finance costs	(11,328)	-	-	-	(9)	(11,337)
Net fair value loss on financial instruments at fair value through profit or loss	-	-	-	(139)	-	(139)
Unallocated:						
Capital expenditure ( <i>Note</i> )						1,076
Depreciation						(2,881)

*Note:* Capital expenditure includes additions to fixed assets.

	Property investment HK\$'000	Property development HK\$'000	Treasury investment HK\$'000	Securities investment HK\$'000	Other HK\$'000	Consolidated HK\$'000
<b>At 30 June 2024 (unaudited)</b>						
<b>Segment assets</b>	<b>169,299</b>	<b>73,317</b>	<b>99,876</b>	<b>3,064</b>	<b>181</b>	<b>345,737</b>
Interests in associates	6,817	292,578	-	-	-	299,395
Interests in joint ventures	9,667,424	-	-	-	-	9,667,424
Unallocated assets						9,036
Total assets						10,321,592
<b>Segment liabilities</b>	<b>502,569</b>	<b>8,926</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>511,645</b>
Unallocated liabilities						46,981
Total liabilities						558,626
<b>At 31 December 2023 (audited)</b>						
<b>Segment assets</b>	<b>169,860</b>	<b>76,589</b>	<b>121,477</b>	<b>3,148</b>	<b>338</b>	<b>371,412</b>
Interests in associates	7,132	290,402	-	-	-	297,534
Interests in joint ventures	10,479,831	-	-	-	-	10,479,831
Unallocated assets						9,307
Total assets						11,158,084
<b>Segment liabilities</b>	<b>470,429</b>	<b>8,983</b>	<b>-</b>	<b>-</b>	<b>347</b>	<b>479,759</b>
Unallocated liabilities						49,333
Total liabilities						529,092

### 3. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue from contracts with customers:		
Provision of project management services	209	246
Revenue from other sources:		
Property rental income from operating leases	3,606	3,595
Interest income	32,360	33,017
Dividend income	-	2
Other	2	2
	35,968	36,616
	36,177	36,862

Disaggregated revenue information for revenue from contracts with customers

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Other segment:		
Types of goods or services:		
Provision of project management services	<b>209</b>	246
	<u>          </u>	<u>          </u>
Geographical market:		
Republic of Singapore	<b>209</b>	246
	<u>          </u>	<u>          </u>
Timing of revenue recognition:		
Services transferred over time	<b>209</b>	246
	<u>          </u>	<u>          </u>

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Other segment:		
Revenue from contracts with external customers	<b>209</b>	246
Revenue from other sources — external	<b>2</b>	2
	<u>          </u>	<u>          </u>
Total segment revenue	<b>211</b>	248
	<u>          </u>	<u>          </u>

**4. OTHER LOSSES — NET**

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fair value losses on financial instruments at fair value through profit or loss:		
Financial assets at fair value through profit or loss mandatorily classified as such, including those held for trading:		
Equity securities	<b>(7)</b>	(39)
Debt securities	<b>(70)</b>	(100)
	<u>          </u>	<u>          </u>
	<b>(77)</b>	(139)
Loss on disposal of fixed assets	<b>(2)</b>	-
Foreign exchange gains/(losses) — net	<b>(195)</b>	10
Realised translation loss reclassified to the statement of profit or loss relating to liquidation of foreign operations	<b>(35)</b>	-
	<u>          </u>	<u>          </u>
	<b>(309)</b>	(129)
	<u>          </u>	<u>          </u>

## 5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest income:		
Loans and advances	31,075	31,195
Other	1,285	1,822
Depreciation of fixed assets	(483)	(2,904)
Depreciation of right-of-use assets	(134)	(136)
Staff costs ( <i>Note (a)</i> )	(6,259)	(11,930)
Legal and professional fees ( <i>Note (b)</i> )	(256)	(989)
Consultancy and service fees ( <i>Note (b)</i> )	(1,989)	(2,894)
	<u>          </u>	<u>          </u>

*Note:*

(a) The amount is included in “Administrative expenses” in the condensed consolidated statement of profit or loss.

(b) The amounts are included in “Other operating expenses” in the condensed consolidated statement of profit or loss.

## 6. SHARE OF RESULTS OF JOINT VENTURES/INTERESTS IN JOINT VENTURES

Share of results of joint ventures for the six months ended 30 June 2024 mainly included share of loss of Lippo ASM Asia Property Limited (“LAAPL”, together with its subsidiaries, the “LAAPL Group”) of HK\$430,239,000 (2023 — profit of HK\$93,010,000). The loss was mainly attributable to share of results of an equity-accounted investee by the joint venture. As at 30 June 2024, the Group’s total interests in LAAPL was approximately HK\$9,516,412,000 (31 December 2023 — HK\$10,325,161,000).

LAAPL is the investment vehicle holding a controlling stake in OUE Limited (“OUE”, together with its subsidiaries, the “OUE Group”). OUE is listed on the Mainboard of Singapore Exchange Securities Trading Limited. The OUE Group is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia. OUE’s real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail and residential sectors. Certain bank facilities of the LAAPL Group were secured by certain listed shares held under it.

## 7. INCOME TAX

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong:		
Charge for the period	2,832	2,125
Deferred	(1)	(5)
	<u>          </u>	<u>          </u>
	2,831	2,120
	<u>          </u>	<u>          </u>
Mainland China and overseas:		
Charge for the period	169	128
	<u>          </u>	<u>          </u>
Total charge for the period	<u>          </u>	<u>          </u>
	3,000	2,248
	<u>          </u>	<u>          </u>

Hong Kong profits tax has been provided at the rate of 8.25% or 16.5% (2023 — 8.25% or 16.5%), as appropriate. For the companies operating in mainland China and the Republic of Singapore, corporate taxes have been calculated on the estimated assessable profits for the period at the rates of 25% and 17% (2023 — 25% and 17%), respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.



## 8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

### (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated based on (i) the consolidated profit/(loss) for the period attributable to equity holders of the Company; and (ii) the weighted average number of approximately 1,998,280,000 ordinary shares (2023 — approximately 1,998,280,000 ordinary shares) in issue during the period.

### (b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## 9. INTERIM DIVIDEND

The Directors have resolved not to declare the payment of any interim dividend for the six months ended 30 June 2024 (2023 — Nil).

## 10. DEBTORS, PREPAYMENTS AND OTHER ASSETS

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

	<b>30 June 2024 HK\$'000</b>	<b>31 December 2023 HK\$'000</b>
Outstanding balances with ages:		
Within 30 days	<b>21</b>	21
Between 31 and 60 days	<b>22</b>	-
	<hr/>	<hr/>
	<b>43</b>	21
	<hr/> <hr/>	<hr/> <hr/>

## **BUSINESS REVIEW**

### **Overview**

The higher-for-even-longer interest rates have affected the operating environment of various businesses. The mainland China's GDP growth was stronger than projected earlier due to the roll-out of more government support measures. However, it continued to be affected by the weak property market conditions. The Singapore economy grew at a modest sequential pace in the first half of 2024. The stronger-than-anticipated recovery in air travel and tourism demand in Singapore continued to bolster the growth of the tourism-related sectors in which the Company and its subsidiaries (collectively, the "Group") together with its joint ventures operate. However, as a whole, the global economy continued to be affected by persistently core inflation, high interest rates, geoeconomic fragmentation, continued tensions in Middle East and conflict between Russia and Ukraine.

### **Results for the Period**

Against this backdrop, the Group recorded a consolidated loss attributable to shareholders of HK\$422 million for the six months ended 30 June 2024 (the "Period"), as compared to a consolidated profit of HK\$89 million for the six months ended 30 June 2023 ("2023"). The loss for the Period was mainly attributable to the share of loss of the Group's joint ventures for the Period.

Revenue for the Period amounted to HK\$36 million (2023 — HK\$37 million). Property investment business contributed to 96% (2023 — 94%) of total revenue for the Period.

The Group's other operating expenses mainly included legal and professional fees and consultancy and service fees. Other operating expenses amounted to HK\$7 million for the Period (2023 — HK\$10 million). Finance costs increased to HK\$15 million (2023 — HK\$11 million), which was largely driven by higher interest rates during the Period as compared with 2023.

### ***Property investment***

Segment revenue from the property investment business was mainly attributable to recurrent rental income from the Group's investment properties and interest income from the loans to the Group's joint ventures. Segment revenue for the Period amounted to HK\$35 million (2023 — HK\$35 million). Segment profit before accounting for share of results from the Group's joint ventures amounted to HK\$16 million for the Period (2023 — HK\$20 million).

Lippo ASM Asia Property Limited ("LAAPL", together with its subsidiaries, collectively, the "LAAPL Group"), a principal joint venture of the Group, is the vehicle holding a controlling stake in OUE Limited ("OUE", together with its subsidiaries, collectively, the "OUE Group"), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The OUE Group is a leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia. OUE's real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail and residential sectors. As at 30 June 2024, the LAAPL Group had an equity interest of approximately 73.65% in OUE.

OUE Real Estate Investment Trust (“OUE REIT”, formerly known as OUE Commercial Real Estate Investment Trust), a subsidiary of OUE, is one of Singapore’s largest diversified REITs listed on the SGX-ST. The property portfolio of OUE REIT includes OUE Bayfront, One Raffles Place, OUE Downtown Office, Hilton Singapore Orchard, the adjoining Mandarin Gallery and Crowne Plaza Changi Airport in Singapore as well as Lippo Plaza in Shanghai, the People’s Republic of China (the “PRC”). The LAAPL Group had an aggregate of approximately 49.58% interest in OUE REIT as at 30 June 2024.

OUE REIT achieved a better operational performance for the Period which was mainly driven by the resilience of Singapore commercial properties and higher hospitality sector contributions. The commercial assets held by OUE REIT continued to deliver stable income growth and high occupancy. OUE REIT’s Singapore office portfolio committed occupancy increased to 95.2%. Positive rental reversion remained strong at 11.7% for office lease renewals in the second quarter of 2024. Mandarin Gallery’s committed occupancy (including short-term leases) remained high at 98.3%. Benefiting from continued improvement in retailer sentiment and the recovery in visitor arrivals, Mandarin Gallery achieved high rental reversion of 28.4% in the second quarter of 2024. Hilton Singapore Orchard and Crowne Plaza Changi Airport have benefited from the recovery of Singapore business and leisure tourism. Revenue from the hospitality sector increased during the Period which was mainly due to higher room rates and occupancies, supported by strong meetings, incentives, conventions and exhibitions (MICE) and event pipeline. The OUE Group was awarded the tender for the lease and development of a new hotel, namely Hotel Indigo Changi Airport at Changi Airport Terminal 2. The hotel, which is expected to be completed and fully operational by 2028, will combine energy-efficient design with low-energy operations and is targeted to be Singapore’s first zero-energy hotel.

OUE Healthcare Limited (“OUEH”, together with its subsidiaries, collectively, the “OUEH Group”), a subsidiary of OUE listed on the Catalist Board, the sponsor-supervised listing platform of the SGX-ST, is a regional healthcare group that operates and owns high-quality healthcare assets in high-growth Asian markets. As at 30 June 2024, the OUE Group owned approximately 70.36% equity interest in OUEH.

Following the successful exit offer and voluntary delisting of Healthway Medical Corporation Limited (“Healthway”), the OUEH Group holds a 26.24% stake in Healthway which enhances its regional healthcare ecosystem to include over 130 clinics and medical centres, encompassing a comprehensive spectrum of services covering primary, secondary and ancillary care. The OUEH Group’s portfolio in Singapore also includes O2 Healthcare Group, which currently consists of a team of trained specialists with expertise in cardiothoracic surgery, pulmonary medicine and intensive care. O2 Healthcare Group has a team of 11 respiratory physicians and two cardiothoracic surgeons in Singapore. The OUEH Group leverages opportunities in creating synergies across the OUEH Group and strives to establish a collaborative regional platform for all its healthcare business verticals to grow, develop and scale their business in the region. In mainland China, the Changshu China Merchants-Lippo Obstetrics & Gynaecology Hospital (the “Changshu Hospital”), with a total capacity of 100 beds, was officially commissioned in May 2023. The Changshu Hospital provides premium obstetrics, gynaecology, paediatric and other related medical services to patients in Changshu, Suzhou and the Yangtze River Delta region. Despite the challenges of a declining birth rate, the management team at Changshu Hospital has been ramping up its marketing and branding efforts as well as fine-tuning its business strategies and service offerings in line with changing patient demands. The Shenzhen China Merchants-Lippo Prince Bay Hospital (the “Prince Bay Hospital”) is in the final stage of preparatory works for its opening in late 2024 or early 2025. The Prince Bay Hospital will be a premium general hospital providing services of international standards to meet the discerning demands of the affluent population in the Greater Bay Area. Both the Changshu Hospital and the Prince Bay Hospital are the OUEH Group’s joint venture with the China Merchants Group.

As at 30 June 2024, the OUE Group (including that held through the OUEH Group) had an approximately 44.95% interest in First Real Estate Investment Trust (“First REIT”), which is listed on the Mainboard of the SGX-ST. First REIT is a healthcare real estate investment trust focused on investing in income producing real estate projects which are primarily used for healthcare and/or healthcare-related purposes. As at 30 June 2024, First REIT has 32 properties comprising 14 nursing homes in Japan, 11 hospitals, 2 integrated hospitals and malls, an integrated hospital and hotel and a hotel and country club in Indonesia and 3 nursing homes in Singapore. Due to the rapid growth in the aging population in Japan and Singapore, senior-care facilities such as nursing homes are expected to see sustained demand in the medium to long-term. In Indonesia, demand for quality healthcare is increasing with rising affluence. Structural tailwinds from a rapidly greying population in Asia has supported the long-term growth of elderly care infrastructure and quality healthcare services. First REIT’s healthcare portfolio is well-positioned to ride on this demographic megatrend.

As part of its 60th anniversary celebrations, OUE declared a special dividend of S\$0.02 per share and undertook an off-market purchase of ordinary shares in OUE (the “OUE Shares”) in accordance with an equal access scheme (the “Offer”) to purchase 84,038,036 OUE Shares for a total consideration of approximately S\$105 million. The Offer aimed to reward OUE’s shareholders and enhance long-term shareholder value. After the completion of the Offer on 5 July 2024, the LAAPL Group’s equity interest in OUE reduced slightly to approximately 72.93%.

The Group recorded a share of loss of joint ventures of HK\$430 million from its investment in LAAPL for the Period (2023 — profit of HK\$93 million). The loss for the Period was mainly attributable to share of results of an equity-accounted investee of the OUE Group whose business in the PRC was adversely impacted by the prevailing slow-down of the property market and the current economic environment in the PRC. Such share of loss from the equity-accounted investee is non-cash in nature and there is no material impact on the OUE Group’s operational cashflows and corporate funding requirements. Coupled with share of foreign exchange translation losses of overseas operations of the LAAPL Group and share of fair value loss of its financial assets at fair value through other comprehensive income in reserves during the Period, the Group’s total interests in LAAPL as at 30 June 2024 decreased to HK\$9.5 billion (31 December 2023 — HK\$10.3 billion).

### ***Property development***

The sale of the remaining properties at Lippo Plaza in Beijing, the PRC was stagnant during the Period due to the sustained downturn in the PRC’s property market. The segment recorded a loss of HK\$2 million for the Period (2023 — HK\$3 million) before accounting for the share of results from the Group’s associates.

### **Financial Position**

The Group’s financial position remained healthy. As at 30 June 2024, its total assets amounted to HK\$10.3 billion (31 December 2023 — HK\$11.2 billion). Property-related assets amounted to HK\$10.2 billion as at 30 June 2024 (31 December 2023 — HK\$11.0 billion), representing 99% (31 December 2023 — 99%) of the total assets. Total liabilities amounted to HK\$0.6 billion (31 December 2023 — HK\$0.5 billion). As at 30 June 2024, cash and cash equivalents amounted to HK\$0.1 billion (31 December 2023 — HK\$0.1 billion). Current ratio as at 30 June 2024 was 4.2 (31 December 2023 — 4.6).

As at 30 June 2024, the Group's bank loans amounted to HK\$497 million (31 December 2023 — HK\$466 million). All bank loans were non-current liabilities, denominated in Hong Kong dollars and carried interest at floating rate. Where appropriate, the Group would use interest rate swaps to modify the interest rate characteristics of its borrowings to limit interest rate exposure. The gearing ratio (measured as total borrowings to equity attributable to equity holders of the Company) was 5.1% as at 30 June 2024 (31 December 2023 — 4.4%).

The net asset value attributable to equity holders of the Company amounted to HK\$9.7 billion as at 30 June 2024 (31 December 2023 — HK\$10.6 billion). This was equivalent to HK\$4.9 per share (31 December 2023 — HK\$5.3 per share).

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

The Group had neither material contingent liabilities outstanding nor charges on the Group's assets at the end of the Period (31 December 2023 — Nil).

As at 30 June 2024, the Group had no capital commitment (31 December 2023 — Nil). The Group's investments or capital assets will be financed by its internal resources and/or external bank financing, as appropriate.

### **Staff and Remuneration**

The Group had 23 full-time employees as at 30 June 2024 (30 June 2023 — 40 full-time employees). Staff costs (including directors' emoluments) charged to the statement of profit or loss for the Period amounted to HK\$6 million (2023 — HK\$12 million). The Group ensures that its employees are offered competitive remuneration packages. The Group also provides benefits such as medical insurance and retirement funds to employees to sustain competitiveness of the Group.

### **PROSPECTS**

Global growth is projected to stabilise in this year. The Ministry of Trade and Industry in Singapore has narrowed Singapore's GDP growth forecast for 2024 to 2.0% to 3.0% from 1.0% to 3.0%. With the support of the government, it is expected that the economy of mainland China is likely to be stronger. However, it may take longer time for the property market in mainland China to rebound. Given continued inflationary pressures, central banks in both advanced economies and developing economies will likely remain cautious in easing monetary policy. The escalation in geopolitical and trade conflicts could dampen business sentiments and increase production costs, which could weigh on global trade and investment. Amid the challenging operating environment, the Group and its joint ventures will continue to manage their businesses and monitor their assets and investments cautiously and exercise prudent capital management.

## **INTERIM DIVIDEND**

The Directors have resolved not to declare the payment of any interim dividend for the six months ended 30 June 2024 (2023 – Nil).

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

During the six months ended 30 June 2024, there was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Committee"). The existing members of the Committee comprise two independent non-executive Directors, namely Mr. King Fai Tsui (Chairman) and Mr. Edwin Neo and one non-executive Director, Mr. Leon Nim Leung Chan. The Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2024.

## **CORPORATE GOVERNANCE**

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

To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the six months ended 30 June 2024.

By Order of the Board  
**HONGKONG CHINESE LIMITED**  
**Davy Kwok Fai Lee**  
*Chief Executive Officer*

Hong Kong, 27 August 2024

*As at the date of this announcement, the Board of Directors of the Company comprises eight directors, of which Dr. Stephen Riady (Chairman), Messrs. John Luen Wai Lee (Deputy Chairman), Davy Kwok Fai Lee (Chief Executive Officer) and Brian Riady as executive Directors, Mr. Leon Nim Leung Chan as non-executive Director and Messrs. King Fai Tsui and Edwin Neo and Ms. Min Yen Goh as independent non-executive Directors.*

*\* For identification purpose only*