

The logo for Realord, featuring the word "Realord" in a stylized font. The "R" is red and the "ealord" is blue.

偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
Stock Code: 1196

The cover of the 2024 Interim Report features a background of three tall, modern skyscrapers with glass facades, set against a clear blue sky. In the foreground, there are large, flowing, abstract shapes in shades of orange, blue, and white, resembling waves or liquid. Below the skyscrapers, a modern, multi-story building with a curved facade is visible, surrounded by greenery and a road with a car. The overall aesthetic is clean, modern, and professional.

2024

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lin Xiaohui (*Chairman*)

Su Jiaohua (*Chief Executive Officer*)

Lin Xiaodong

Independent Non-executive Directors

Yu Leung Fai

Fang Jixin

Ho Chun Chung Patrick

AUDIT COMMITTEE

Yu Leung Fai (*Chairman*)

Fang Jixin

Ho Chun Chung Patrick

REMUNERATION COMMITTEE

Fang Jixin (*Chairman*)

Lin Xiaohui

Yu Leung Fai

NOMINATION COMMITTEE

Lin Xiaohui (*Chairman*)

Yu Leung Fai

Fang Jixin

COMPANY SECRETARY

Tsang Chin Pang

LEGAL ADVISER

Michael Li & Co.

Debevoise & Plimpton

Holman Fenwick Willan

INDEPENDENT AUDITOR

Grant Thornton Hong Kong Limited

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay, Hong Kong SAR

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Chong Hing Bank Limited

DBS Bank (Hong Kong) Limited

Guangdong Huaxing Bank

Guangzhou Rural Commercial Bank

Industrial Bank Co., Ltd.

Shenzhen Rural Commercial Bank

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

4th Floor North

Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

24/F, Jardine House

1 Connaught Place

Central, Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

STOCK CODE

1196

COMPANY WEBSITE

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024

		For the six months ended	
		30 June	30 June
		2024	2023
		(Unaudited)	(Unaudited)
	Note	HK\$'000	HK\$'000
Revenue			
– Goods and services		290,794	335,341
– Rental income		22,283	9,038
– Interest income		36,531	48,090
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Total revenue	3	349,608	392,469
Cost of sales		(213,710)	(237,388)
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Gross profit			
Other income	5	16,294	16,544
Other gains, net	6	76,440	126,020
Provision for impairment losses, net		(81,831)	(27,639)
(Loss)/Gain on fair value changes of investment properties, net	13	(211,733)	434,302
Selling and distribution expenses		(38,204)	(42,303)
Administrative expenses		(131,015)	(144,481)
Finance costs	7	(377,543)	(390,606)
<hr/>			
(Loss)/Profit before income tax		(611,694)	126,918
Income tax credit/(expense)	8	60,733	(100,883)
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(Loss)/Profit for the period	9	(550,961)	26,035
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Attributable to:			
– Owners of the Company		(515,424)	48,561
– Non-controlling interests		(35,537)	(22,526)
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		(550,961)	26,035
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(Loss)/Earnings per share			
– Basic (HK cents)	11	(35.776)	3.371
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– Diluted (HK cents)		(35.776)	3.368
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024

	For the six months ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Profit for the period	(550,961)	26,035
Other comprehensive income/(expense)		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Gains on property, plant and equipment revaluation, net	1,883	–
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(171,263)	(245,566)
Other comprehensive expense for the period	(169,380)	(245,566)
Total comprehensive expense for the period	(720,341)	(219,531)
Attributable to:		
– Owners of the Company	(667,728)	(169,747)
– Non-controlling interests	(52,613)	(49,784)
	(720,341)	(219,531)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	Note	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	12	430,562	630,883
Prepaid lease payments		4,175	4,289
Investment properties	13	9,109,665	9,542,078
Goodwill		257,733	257,733
Other intangible assets		37,905	41,576
Equity instruments at fair value through other comprehensive income ("FVTOCI")	24	4,127	4,127
Prepayments, deposits and other receivables		222,866	206,393
Pension scheme assets		23,777	23,777
		10,090,810	10,710,856
Current assets			
Inventories		73,147	57,428
Properties under development	14	5,484,524	5,555,146
Trade receivables	15	461,000	543,427
Receivables arising from securities broking	15	259,902	310,485
Loan receivables	15	415,957	502,003
Prepayments, deposits and other receivables		334,243	316,678
Proposed development project		2,100,719	2,101,934
Financial assets at fair value through profit or loss ("FVTPL")	24	72,398	68,528
Amounts due from related parties	18	1,384	1,592
Tax recoverable		4,988	6,388
Cash held on behalf of clients		222,307	77,354
Restricted bank balances and deposits		75,105	75,851
Bank balances and cash		64,005	153,259
		9,569,679	9,770,073
Asset classified as held for sale	21	177,000	–
		9,746,679	9,770,073
Current liabilities			
Trade payables	16	89,323	84,961
Payables arising from securities broking	16	223,503	77,285
Contract liabilities		121,532	83,401
Insurance contracts liabilities		478	1,154
Other payables and accruals		956,121	740,752
Bank borrowings	17(a)	7,417,656	454,967
Other borrowings	17(b)	229,231	249,478
Amounts due to related parties and loan from a related company	18	493,185	320,617
Lease liabilities		39,896	47,206
Long service payment obligations		59	59
Tax payable		6,855	5,857
		9,577,839	2,065,737
Net current assets		168,840	7,704,336
Total assets less current liabilities		10,259,650	18,415,192

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

as at 30 June 2024

	Note	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Equity			
Share capital	19	144,071	144,071
Reserves		2,781,140	3,448,868
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Equity attributable to owners of the Company		2,925,211	3,592,939
Non-controlling interests		1,452,511	1,505,124
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		4,377,722	5,098,063
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Non-current liabilities			
Other payables and accruals		2,542	84
Loan from a related company	18	–	211,000
Loans from ultimate holding company	20	2,779,231	2,797,516
Bank borrowings	17(a)	1,912,446	9,104,950
Other borrowings	17(b)	100,564	22,590
Lease liabilities		4,546	6,243
Long service payment obligations		2,418	2,418
Deferred tax liabilities		1,080,181	1,172,328
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		5,881,928	13,317,129
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		10,259,650	18,415,192
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Statutory reserve HK\$'000	Capital reserve HK\$'000	Asset revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2023 (Restated)	144,071	1,928,652	6,948	2,949	839,969	39,469	192	(698,044)	1,346,744	3,610,950	1,552,268	5,163,218
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	48,561	48,561	(22,526)	26,035
Other comprehensive expense for the period:												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(218,308)	-	(218,308)	(27,258)	(245,566)
Total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	(218,308)	48,561	(169,747)	(49,784)	(219,531)
As at 30 June 2023 (Unaudited)	144,071	1,928,652	6,948	2,949	839,969	39,469	192	(916,352)	1,395,305	3,441,203	1,502,484	4,943,687
As at 1 January 2024 (Audited)	144,071	1,928,652	6,948	2,949	839,969	55,170	257	(808,461)	1,423,384	3,592,939	1,505,124	5,098,063
Loss for the period	-	-	-	-	-	-	-	-	(515,424)	(515,424)	(35,537)	(550,961)
Other comprehensive income/(expense) for the period:												
Gains on property, plant and equipment revaluation, net	-	-	-	-	-	1,412	-	-	-	1,412	471	1,883
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(153,716)	-	(153,716)	(17,547)	(171,263)
Total comprehensive income/(expense) for the period	-	-	-	-	-	1,412	-	(153,716)	(515,424)	(667,728)	(52,613)	(720,341)
As at 30 June 2024 (Unaudited)	144,071	1,928,652	6,948	2,949	839,969	56,582	257	(962,177)	907,960	2,925,211	1,452,511	4,377,722

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024

	For the six months ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Operating activities		
Net cash from operating activities	95,756	7,253
Investing activities		
Decrease in restricted bank balances and deposits	10,092	61,705
Other investing cash flows	1,902	3,171
Net cash from investing activities	11,994	64,876
Financing activities		
Net cash inflows/(outflows) from bank and other borrowings	50,378	(59,314)
Net cash (outflows)/inflows from loans from ultimate holding company	(15,315)	168,193
Net cash inflows from amounts due to related parties	16,632	23,924
Other financing cash flows	(248,269)	(267,766)
Net cash used in financing activities	(196,574)	(134,963)
Net decrease in cash and cash equivalents	(88,824)	(62,834)
Cash and cash equivalents at the beginning of the period	153,259	171,900
Effect of changes in foreign exchange rates	(430)	(367)
Cash and cash equivalents at the end of the period	64,005	108,699
Represented by:		
Bank balances and cash	64,005	108,699

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2024

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements of Realord Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2024 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 ("HKICPA") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. The accounting policies and critical accounting judgements and estimates used in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the application of the amendments to Hong Kong Financial Reporting Standards ("HKFRSs") as disclosed in note 2.

The condensed consolidated interim financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for annual period beginning on 1 January 2024

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amendments to HKFRSs which are mandatorily effective as of 1 January 2024.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)
Amendments to HKFRSs that are mandatorily effective for annual period beginning on 1 January 2024 (Continued)

The application of the amendments to HKFRSs had no material impact on the Group’s financial positions and performance for the current and prior periods have been prepared and presented.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability Disclosure ³
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors of the Company (the “Directors”) anticipate that all of the pronouncements will be adopted in the Group’s accounting policy for the first period beginning on or after the effective date of the pronouncement. The new and amendments to HKFRSs are not expected to have a material impact on the Group’s condensed consolidated interim financial statements.

3. REVENUE

The Group recognises revenue from the following major sources:

- (i) Revenue from sale of motor vehicle parts is recognised at a point in time when the control of goods has been transferred to the customers upon delivery;
- (ii) Revenue from dismantling, processing, trading and sales of scrap materials is recognised at a point in time when the control of the specific type of scrap materials, either dismantled or not, as requested by the customers, has been transferred to them upon delivery;
- (iii) Revenue from sale of hangtags, labels, shirt paper boards and plastic bags is recognised at a point in time when the customer obtains control of the distinct goods;
- (iv) Revenue from sale of goods at the department stores is recognised at a point in time when the control of goods has been transferred to the customer upon purchase the goods at the department stores;
- (v) Revenue from rendering of financial printing, digital printing and other related services is recognised over time using the output method because the customer simultaneously receives and consumes the benefits as the Group performs;
- (vi) Revenue from rendering of corporate finance advisory, asset management and other related services is recognised over time using the output method because the customer simultaneously receives and consumes the benefits as the Group performs or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date;
- (vii) Revenue from provision of citizenship application and consultancy service on citizenship by investment programme ("CBI Programme") is recognised at a point in time when the client's citizenship has been granted by the Minister as set out in Section 8 of the Grenada Citizenship by Investment Act 15 of 2013;
- (viii) Revenue from commission from securities broking is recognised at a point in time upon execution of orders for purchase or sale of securities on behalf of clients;
- (ix) Revenue from commission from counter and consignment sales at the department stores is recognised at a point in time and based on certain percentage of sales made by the customers in accordance with the terms of contracts;
- (x) Revenue from sale of box office tickets is recognised at a point in time when the relevant film is exhibited;
- (xi) Revenue from rental income is recognised on a straight-line basis over the term of the lease; and
- (xii) Revenue from interest income from margin financing and money lending business is recognised on a time proportion basis using the effective interest method.

3. REVENUE (Continued)

Disaggregation of revenue from contracts with customers

Type of goods and services	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	Commercial Printing HK\$'000	Department Store HK\$'000	LAC HK\$'000	Cinema Operation HK\$'000	Total HK\$'000
For the six months ended 30 June 2024 (Unaudited)									
Sales of goods									
– Motor vehicle parts	-	-	-	1,715	-	-	-	-	1,715
– Scrap materials	-	-	136,695	-	-	-	-	-	136,695
– Department store goods	-	-	-	-	-	48,514	-	-	48,514
	-	-	136,695	1,715	-	48,514	-	-	186,924
Rendering of services									
– Printing services	-	-	-	-	24,115	-	-	-	24,115
– Financial services	-	49,944	-	-	-	-	-	-	49,944
– Citizenship application and consultancy services	-	-	-	-	-	-	11,433	-	11,433
– Commission from securities broking	-	781	-	-	-	-	-	-	781
– Commission from counter and consignment sales	-	-	-	-	-	16,335	-	-	16,335
– Box office tickets	-	-	-	-	-	-	-	1,262	1,262
Revenue from contracts with customers	-	50,725	136,695	1,715	24,115	64,849	11,433	1,262	290,794
Revenue from gross rental income	22,182	-	-	-	-	101	-	-	22,283
Revenue from interest income from margin financing	-	13,450	-	-	-	-	-	-	13,450
Revenue from interest income from money lending business	-	23,081	-	-	-	-	-	-	23,081
Total	22,182	87,256	136,695	1,715	24,115	64,950	11,433	1,262	349,608
Timing of revenue recognition									
A point in time	-	781	136,695	1,715	-	64,849	11,433	1,262	216,735
Over time	-	49,944	-	-	24,115	-	-	-	74,059
	-	50,725	136,695	1,715	24,115	64,849	11,433	1,262	290,794
Revenue out of the scope of HKFRS 15									
Rental income	22,182	-	-	-	-	101	-	-	22,283
Interest income	-	36,531	-	-	-	-	-	-	36,531
Total	22,182	87,256	136,695	1,715	24,115	64,950	11,433	1,262	349,608

3. REVENUE (Continued)

Disaggregation of revenue from contracts with customers (Continued)

Type of goods and services	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	Commercial Printing HK\$'000	Hangtag HK\$'000	Department Store HK\$'000	LAC HK\$'000	Cinema Operation HK\$'000	Total HK\$'000
For the six months ended 30 June 2023 (Unaudited)										
Sales of goods										
– Motor vehicle parts	-	-	-	16,688	-	-	-	-	-	16,688
– Scrap materials	-	-	170,648	-	-	-	-	-	-	170,648
– Hangtags, labels, shirt paper boards and plastic bags	-	-	-	-	-	23	-	-	-	23
– Department store goods	-	-	-	-	-	-	53,464	-	-	53,464
	-	-	170,648	16,688	-	23	53,464	-	-	240,823
Rendering of services										
– Printing services	-	-	-	-	32,082	-	-	-	-	32,082
– Financial services	-	19,299	-	-	-	-	-	-	-	19,299
– Citizenship application and consultancy services	-	-	-	-	-	-	-	68	-	68
– Commission from securities broking	-	20,816	-	-	-	-	-	-	-	20,816
– Commission from counter and consignment sales	-	-	-	-	-	-	20,800	-	-	20,800
– Box office tickets	-	-	-	-	-	-	-	-	1,453	1,453
Revenue from contracts with customers	-	40,115	170,648	16,688	32,082	23	74,264	68	1,453	335,341
Revenue from gross rental income	8,939	-	-	-	-	-	99	-	-	9,038
Revenue from interest income from margin financing	-	20,045	-	-	-	-	-	-	-	20,045
Revenue from interest income from money lending business	-	28,045	-	-	-	-	-	-	-	28,045
Total	8,939	88,205	170,648	16,688	32,082	23	74,363	68	1,453	392,469
Timing of revenue recognition										
A point in time	-	20,816	170,648	16,688	-	23	74,264	68	1,453	283,960
Over time	-	19,299	-	-	32,082	-	-	-	-	51,381
	-	40,115	170,648	16,688	32,082	23	74,264	68	1,453	335,341
Revenue out of the scope of HKFRS 15										
Rental income	8,939	-	-	-	-	-	99	-	-	9,038
Interest income	-	48,090	-	-	-	-	-	-	-	48,090
Total	8,939	88,205	170,648	16,688	32,082	23	74,363	68	1,453	392,469

4. SEGMENT INFORMATION

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

The Group is organised into business units based on their products and services and has nine (six months ended 30 June 2023: nine) operating segments as follows:

- (i) property investment, development and commercial operation ("Property Segment");
- (ii) provision of corporate finance advisory, asset management, securities brokerage services, money lending and margin financing ("Financial Services Segment");
- (iii) environmental protection industry, mainly dismantling, processing, trading and sales of scrap materials ("Environmental Protection Segment" or "EP Segment");
- (iv) distribution and sale of motor vehicle parts ("Motor Vehicle Parts Segment" or "MVP Segment");
- (v) provision of financial printing, digital printing and other related services ("Commercial Printing Segment");
- (vi) operation of department stores offering a wide range of consumer products, comprises of sale of goods, income from counter and consignment sale and the revenue from other sources, including rental income from sublease of properties and the provision of general and life insurances ("Department Store Segment");
- (vii) provision of citizenship application and consultancy services on citizenship by CBI programme and development of project in Grenada which integrates a collection of educational facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities ("Latin America and Caribbean Segment" or "LAC Segment");
- (viii) sales of hangtags, labels, shirt paper boards and plastic bags principally to manufacturers of consumer products ("Hangtag Segment"); and
- (ix) operation of a cinema located in the Mainland China with the exhibition of the film ("Cinema Operation Segment").

During the six months ended 30 June 2024 and 2023, Hangtag Segment and Cinema Operation Segment were being reported as "Others" as none of these segments met the quantitative thresholds for the reporting segments in both current and prior periods.

Segment results represent the profit earned by/(loss from) each segment without allocation of bank interest income, dividend income, unrealised fair value loss on financial assets at FVTPL, realised loss on disposal of financial assets at FVTPL, net foreign exchange gain, corporate expenses and certain finance costs. This is the measurements reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets exclude tax recoverable, bank balances and cash, equity instruments at FVTOCI, financial assets at FVTPL, amounts due from related parties and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude certain other payables and accruals, certain bank borrowings, certain other borrowings, tax payable, deferred tax liabilities, amounts due to related parties, loan from a related company, loans from ultimate holding company and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Inter-segment sales are charged at prevailing market rates.

5. OTHER INCOME

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
Bank interest income	1,331	1,200
Dividend income	677	821
Imputed interest income on gift receivable from Win Dynamic Limited ("Win Dynamic")	9,424	8,616
Interest income on credit-impaired loan receivables	3,460	3,587
Government grants	126	132
Others	1,276	2,188
	16,294	16,544

6. OTHER GAINS, NET

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
(Loss)/Gain on disposal of property, plant and equipment	(2)	973
Gain on lease modification or termination	102	151
Unrealised fair value loss on financial assets at FVTPL	(1,266)	(2,142)
Realised loss on disposal of financial assets at FVTPL	(330)	(7)
Net foreign exchange gain	77,936	126,989
Recovery of receivables arising from securities broking previously written off	–	56
	76,440	126,020

7. FINANCE COSTS

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
Interest on bank borrowings	244,055	273,594
Interest on other borrowings	12,952	11,270
Interest on loans from ultimate holding company	107,231	94,270
Interest on loan from a related company	10,165	8,027
Interest on amounts due to related parties	1,658	1,184
Finance charges on lease liabilities	1,482	2,261
	377,543	390,606

8. INCOME TAX (CREDIT)/EXPENSE

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
Current tax		
– Hong Kong	2,269	4,542
– Other countries	–	14
Deferred tax	(63,002)	96,327
Income tax (credit)/expense	(60,733)	100,883

Hong Kong

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2024 and 2023.

The PRC

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2023: 25%) for the six months ended 30 June 2024 and 2023, the Group did not generate any estimated assessable profits in the PRC.

8. INCOME TAX (CREDIT)/EXPENSE (Continued)**Japan**

Pursuant to the rules and regulations of Japan, the subsidiary incorporated in Japan is subject mainly to corporate tax, inhabitant tax and enterprise tax, and the effective statutory tax rate for these taxes is 34.6% (2023: 34.6%) for the six months ended 30 June 2024. For the six months ended 30 June 2024 and 2023, the Group did not generate any estimated assessable profits in Japan.

Grenada

The subsidiaries of the Group incorporated in Grenada is subject to Corporation Tax in the Grenada ("Corporation Tax"). Corporation tax is calculated at 28% (2023: 28%) of the estimated assessable profits for the six months ended 30 June 2024. For the six months ended 30 June 2024 and 2023, the Group did not generate any estimated assessable profits in Grenada.

9. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is arrived at after charging/(crediting):

	For the six months ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of:		
– Owned assets	15,481	17,534
– Right-of-use assets	32,418	33,681
– Prepaid lease payments	58	55
Amortisation of other intangible assets	3,671	6,091
Direct operating expenses (including repair and maintenance):		
– Arising from leased investment properties	4,173	5,382
– Arising from vacant investment properties	1,372	951
Employee benefit expense (including directors' emoluments)	73,205	85,316
Cost of inventories recognised as expenses	158,155	204,990
Provision for/(Reversal of provision for) inventories (included in cost of sales)	580	(628)
Short-term lease payments	9,699	9,502

10. DIVIDEND

No dividend was paid or proposed to ordinary shareholders of the Company during the six months ended 30 June 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on:

	For the six months ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/Earnings		
(Loss)/Earnings for the purposes of basic and diluted (loss)/earnings per share calculation ((loss)/profit for the period attributable to owners of the Company)	(515,424)	48,561
	Number of shares	
	For the six months ended	
	30 June	30 June
	2024	2023
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation	1,440,709,880	1,440,709,880
Effect of dilutive potential ordinary shares (note):		
– Share options	–	1,320,565
Weighted average number of ordinary shares for the purpose of diluted earnings per share calculation	1,440,709,880	1,442,030,445

Note: For the six months ended 30 June 2024, diluted loss per share is the same as basic loss per share. The potential shares arising from the conversion of the Company's share option would decrease the loss per share attributable to owners of the Company and is not taken into account as they had anti-dilutive effects.

12. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At the beginning of the period/year	630,883	705,083
Additions	1,948	11,499
Disposals	(49)	(444)
Depreciation for the period/year	(47,899)	(101,206)
Lease modification	25,183	325
Lease termination	(1,745)	(1,007)
Gain on revaluation, net	1,883	19,065
Transfer to asset classified as held for sale (note 21)	(177,000)	–
Exchange realignment	(2,642)	(2,432)
	430,562	630,883

As at 30 June 2024 and 31 December 2023, certain leasehold land and buildings included in property, plant and equipment of the Group were pledged to secure general banking facilities granted to the Group, details of which are set out in note 17(a).

13. INVESTMENT PROPERTIES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At the beginning of the period/year	9,542,078	8,591,359
Additions	61	92
Disposals	–	(2,480)
(Loss)/Gain on fair value changes recognised in profit or loss, net	(211,733)	1,097,751
Exchange realignment	(220,741)	(144,644)
	9,109,665	9,542,078

As at 30 June 2024 and 31 December 2023, investment properties of the Group were pledged to secure general banking facilities and other borrowings granted to the Group, details of which are set out in notes 17(a) and 17(b) respectively.

14. PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
At the beginning of the period/year	5,555,146	5,535,564
Additions	11,240	17,234
Reversal of provision	–	62,129
Exchange realignment	(81,862)	(59,781)
	<hr/>	
At the end of the period/year	5,484,524	5,555,146
	<hr/> <hr/>	

As at 30 June 2024 and 31 December 2023, the Group's properties under development with carrying amount of HK\$3,250,542,000 (31 December 2023: HK\$3,331,175,000) were pledged to secure general banking facilities granted to the Group, details of which are set out in note 17(a).

15. TRADE RECEIVABLES/RECEIVABLES ARISING FROM SECURITIES BROKING/LOAN RECEIVABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade receivables, goods and services	616,812	620,850
Less: allowance for credit losses	(155,812)	(77,423)
	<hr/>	
Trade receivables, net	461,000	543,427
	<hr/>	
Receivables arising from securities broking conducted in the ordinary course of business:		
– Clearing house	6	1,829
– Cash clients accounts receivable	8,270	9,305
– Loans to margin clients	253,053	300,329
Less: allowance for credit losses	(1,427)	(978)
	<hr/>	
Receivables arising from securities broking, net	259,902	310,485
	<hr/>	
Receivables arising from money lending conducted in the ordinary course of business:		
– Loan receivables	469,468	554,092
Less: allowance for credit losses	(53,511)	(52,089)
	<hr/>	
Loan receivables, net	415,957	502,003
	<hr/>	
	1,136,859	1,355,915
	<hr/> <hr/>	

15. TRADE RECEIVABLES/RECEIVABLES ARISING FROM SECURITIES BROKING/LOAN RECEIVABLES (Continued)

Trade receivables

The credit periods are generally one to three months (31 December 2023: one to three months). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates/date of rendering of services:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Current to 30 days	12,376	76,488
31 to 60 days	9,295	21,603
61 to 90 days	8,982	18,883
91 to 365 days	108,575	69,305
Over 1 year	321,772	357,148
	461,000	543,427

Receivables arising from securities broking

With regard to receivables arising from securities broking, the Group seeks to maintain tight control over its outstanding accounts receivable and has procedures and policies to assess its clients' credit quality and defines credit limits for each client. All client acceptances and credit limits are approved by designated approvers according to the clients' credit quality.

The normal settlement term of receivables from clearing house and cash clients accounts receivable arising from the ordinary course of business of securities broking is two (31 December 2023: two) trading days after the trade date.

Loans to margin clients are secured by the underlying pledged securities, repayable on demand or agreed dates of repayment and bear interest at commercial rates.

No ageing analysis of receivables from clearing house, cash clients accounts receivable and loan receivables from margin clients is disclosed as, in the opinion of the directors of the Company, the ageing analysis is not meaningful in view of the nature of the receivables from clearing house, cash clients accounts receivable arising from securities broking and the revolving margin loans.

Loan receivables

Loan receivables are unsecured, repayable on agreed dates of repayment within one year and bear interest at commercial rates.

No ageing analysis of loans to money lending clients is disclosed as in the opinion of the directors of the Company, the ageing analysis is not meaningful in view of the nature of the money lending loans.

16. TRADE PAYABLES/PAYABLES ARISING FROM SECURITIES BROKING

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade payables	89,323	84,961
Payables arising from securities broking conducted in the ordinary course of business:		
– Clearing house	1,595	–
– Cash and margin clients accounts payable	221,908	77,285
	223,503	77,285
	312,826	162,246

The credit period of trade payables ranges from 60 to 90 days (31 December 2023: 60 to 90 days). The normal settlement terms of payable arising from securities broking are two (31 December 2023: two) trading days after the trade date.

The following is an ageing analysis of trade payables based on invoice dates:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Current to 30 days	61,745	49,498
31 to 60 days	9,335	17,045
61 to 90 days	3,255	2,698
Over 90 days	14,988	15,720
	89,323	84,961

Included in cash and margin clients accounts payable is cash held on behalf of clients amounted to HK\$222,307,000 (31 December 2023: HK\$77,354,000), which represented those clients' undrawn monies/excess deposits placed with the Group. As at 30 June 2024, the cash clients accounts payable included an amount of HK\$122,000 (31 December 2023: HK\$122,000) in respect of certain directors' undrawn monies/excess deposits placed with the Group. The cash clients accounts payable are repayable on demand and non-interest bearing. No ageing analysis is disclosed as in the opinion of the directors of the Company, an ageing analysis is not meaningful in view of the nature of the business of dealing in securities.

17. BANK BORROWINGS AND OTHER BORROWINGS

(a) Bank borrowings

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Bank borrowings		
– Secured	9,320,403	9,530,077
– Unsecured	9,699	29,840
	9,330,102	9,559,917

The contractual maturity dates of the bank borrowings are as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Carrying amount of bank borrowings are repayable (note (iv)):		
– Within one year	7,124,439	141,353
– More than one year but not more than two years	390,255	7,443,948
– More than two years but not more than five years	466,131	524,774
– Over five years	1,056,060	1,136,228
	9,036,885	9,246,303
Carrying amount of bank borrowings that contains a repayment on demand clause and included in current portion	293,217	313,614
	9,330,102	9,559,917
Less: amounts due within one year shown under current liabilities	(7,417,656)	(454,967)
Amounts shown under non-current liabilities	1,912,446	9,104,950

17. BANK BORROWINGS AND OTHER BORROWINGS (Continued)

(a) Bank borrowings (Continued)

Notes:

- (i) As at 30 June 2024, the Group's bank borrowings of HK\$293,217,000 (31 December 2023: HK\$313,614,000) bear interest rates from 1.50% to 2.60% (31 December 2023: 1.50% to 2.60%) over Hong Kong Interbank Offered Rate ("HIBOR") per annum.
- (ii) As at 30 June 2024, the Group's bank borrowing of HK\$215,038,000 (31 December 2023: HK\$217,707,000) bears interest rate of 2.85% (31 December 2023: 2.85%) below Prime Rate per annum.
- (iii) As at 30 June 2024, the Group's bank borrowings of HK\$8,821,847,000 (31 December 2023: HK\$9,028,596,000) bear interest rates from 3.95% to 6.20% (31 December 2023: 4.15% to 6.55%) per annum.
- (iv) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (v) The Group's available banking facilities amounted to HK\$9,462,965,000 (31 December 2023: HK\$10,716,198,000), of which HK\$9,330,102,000 (31 December 2023: HK\$9,559,917,000) had been utilised at the end of the reporting period.
- (vi) Certain bank borrowings of the Group were guaranteed by the Company up to HK\$8,516,355,000 (31 December 2023: HK\$8,753,017,000), and the subsidiaries of the Group up to HK\$8,425,918,000 (31 December 2023: HK\$8,618,844,000).
- (vii) Certain bank borrowings of the Group were secured by certain of the Group's investment properties, leasehold land and buildings, properties under development, proposed development project and asset classified as held for sale with a carrying amount of HK\$9,044,465,000 (31 December 2023: HK\$9,468,378,000), HK\$350,387,000 (31 December 2023: HK\$535,418,000), HK\$3,250,542,000 (31 December 2023: HK\$3,331,175,000), HK\$2,100,719,000 (31 December 2023: HK\$2,101,934,000) and HK\$177,000,000 (31 December 2023: Nil) respectively at the end of the reporting period.
- (viii) Certain bank borrowings of the Group were secured by the Group's restricted bank balances and deposits of HK\$1,185,000 (31 December 2023: HK\$11,277,000) and shares of certain subsidiaries.
- (ix) Certain bank borrowings of the Group were guaranteed by the directors and controlling shareholders of the Company up to HK\$9,236,486,000 (31 December 2023: HK\$9,445,764,000) and the related parties of the Group up to HK\$299,582,000 (31 December 2023: HK\$308,419,000).
- (x) The Group's bank borrowings of HK\$9,699,000 (31 December 2023: HK\$29,840,000) were unsecured at the end of the reporting period.
- (xi) Except for bank borrowings of HK\$8,821,847,000 (31 December 2023: HK\$9,028,596,000) which are denominated in Renminbi ("RMB"), all other bank borrowings are denominated in HK\$.

17. BANK BORROWINGS AND OTHER BORROWINGS (Continued)

(b) Other borrowings

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Borrowings from financial institutions (note (i)):		
– Secured	56,140	56,140
Other borrowings:		
– Secured (note (ii))	230,000	56,500
– Unsecured (note (iii))	43,655	90,882
Notes payable (note (iv)):		
– Unsecured	–	68,546
	329,795	272,068

The contractual maturity dates of the other borrowings are as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Carrying amount of other borrowings are repayable:		
– Within one year	173,091	166,838
– More than one year but not more than two years	100,564	22,590
	273,655	189,428
Carrying amount of other borrowings that contains a repayment on demand clause and shown under current liabilities	56,140	82,640
	329,795	272,068
Less: amounts due within one year shown under current liabilities	(229,231)	(249,478)
Amounts shown under non-current liabilities	100,564	22,590

17. BANK BORROWINGS AND OTHER BORROWINGS (Continued)

(b) Other borrowings (Continued)

Notes:

- (i) The borrowings from financial institutions bear interest rate of 2.5% (31 December 2023: 2.5%) over Hong Kong Dollar Best Lending Rate per annum. The borrowings contain a repayment on demand clause and were guaranteed by the Company up to HK\$56,140,000 (31 December 2023: HK\$56,140,000) and were secured by the Group's investment properties with a carrying amount of HK\$65,200,000 (31 December 2023: HK\$73,700,000) at the end of the reporting period.
- (ii) Included in secured other borrowings are:
 - (a) certain secured borrowings of HK\$230,000,000 (31 December 2023: HK\$30,000,000) bear fixed interest rate of 12% (31 December 2023: 12%) per annum which HK\$130,000,000 (31 December 2023: HK\$30,000,000) is repayable in the next 12 months after the end of reporting period and HK\$100,000,000 (31 December 2023: Nil) is not repayable in the next 12 months after the end of reporting period;
 - (b) certain secured borrowings of HK\$80,000,000 (31 December 2023: HK\$30,000,000) from independent third parties were secured by securities collateral pledged to the Group by margin clients with market value of HK\$298,052,000 (31 December 2023: HK\$155,362,000) and guaranteed by a director and controlling shareholder of the Company;
 - (c) a secured borrowing of HK\$150,000,000 (31 December 2023: Nil) from an independent third party was secured by certain shares of a subsidiary of the Group; and
 - (d) certain secured borrowings of HK\$26,500,000 as at 31 December 2023 were under repurchase agreement, which the Group is required to repurchase the pledged securities at pre-determined date and interest rates within 12 months from the end of the reporting period. Such borrowings are pledged with the securities from the margin clients with market value of HK\$77,595,000 as at 31 December 2023 and were repaid in January 2024.
- (iii) Included in unsecured other borrowings are:
 - (a) unsecured borrowings of HK\$43,655,000 (31 December 2023: HK\$90,882,000) bear interest rate from 2% to 13% (31 December 2023: from 2% to 12%) per annum which HK\$43,091,000 (31 December 2023: HK\$68,292,000) is repayable in the next 12 months after the end of reporting period and HK\$564,000 (31 December 2023: HK\$22,590,000) is not repayable in the next 12 months after the end of the reporting period;
 - (b) included in the unsecured borrowings of HK\$43,655,000 as at 30 June 2024, an unsecured borrowing of HK\$10,855,000 (31 December 2023: Nil) was guaranteed by a director and controlling shareholder of the Company; and
 - (c) included in the unsecured borrowings of HK\$90,882,000 as at 31 December 2023, an unsecured borrowing of HK\$22,031,000 was guaranteed by a subsidiary of the Group.
- (iv) As at 31 December 2023, the notes payable was unsecured and bore interest rate of 5.5% per annum. The notes payable was repaid in January 2024.

18. AMOUNTS DUE FROM/(TO) RELATED PARTIES AND LOAN FROM A RELATED COMPANY

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Amounts due from related parties (note (i))	1,384	1,592
Amounts due to related parties (note (i))	(56,415)	(55,310)
Amounts due to related parties (note (ii))	(225,770)	(265,307)
Loan from a related company (note (iii))	(211,000)	(211,000)
	(493,185)	(531,617)
	(491,801)	(530,025)

Notes:

- (i) Amounts due are unsecured, interest-free and repayable on demand.
- (ii) Amounts due are unsecured, interest-bearing at 8% (31 December 2023: 8%) per annum and repayable on demand.
- (iii) As at 30 June 2024, a related company, in which Dr. Lin Xiaohui ("Dr. Lin") and Madam Su Jiaohua own 70% and 30% equity interests respectively agreed to provide a loan facility up to HK\$260,000,000 in order to support the operation of the Department Store Segment.

The loan is unsecured, bears interest at HIBOR plus 5% (31 December 2023: HIBOR plus 5%) per annum and is repayable on 20 March 2025 (31 December 2023: 20 March 2025).

19. SHARE CAPITAL

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Authorised:		
20,000,000,000 (31 December 2023: 20,000,000,000) ordinary shares of HK\$0.10 each	2,000,000	2,000,000
Issued and fully paid:		
1,440,709,880 (31 December 2023: 1,440,709,880) ordinary shares of HK\$0.10 each	144,071	144,071

Note: During the six months ended 30 June 2024 and year ended 31 December 2023, no shares had been issued and allotted under the existing share option scheme.

20. LOANS FROM ULTIMATE HOLDING COMPANY

Loans from ultimate holding company were unsecured, interest-bearing at 8.2% (31 December 2023: 8.2%) per annum and will be repayable in June 2026 (31 December 2023: June 2025).

21. ASSET CLASSIFIED AS HELD FOR SALE

As set out in the Circular dated 6 May 2024 of The Sincere Company, Limited (“Sincere”), the Group has entered into a provisional agreement with an independent third party dated 12 April 2024 to dispose a property at a consideration of HK\$210,000,000. The Group has completed the disposal of property on 22 July 2024.

Such property, which previously classified as property, plant and equipment, were reclassified to asset classified as held for sale at 30 June 2024 and presented separately in the condensed consolidated statement of financial position.

As at 30 June 2024, the Group’s asset classified as held for sale with an aggregate carrying amount of HK\$177,000,000 (31 December 2023: Nil) was pledged as security for the bank borrowings granted to the Group, details of which are set out in note 17(a).

22. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Contracted, but not provided for:		
– Investment properties	249,600	249,600
– Properties under development and proposed development project	760,043	69,479
– Leasehold improvements	21,392	21,691
	1,031,035	340,770

23. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the period:

(i) Related party transactions

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
Management fee paid to a related company controlled by a director of the Company in the PRC	1,591	1,263
Securities service fee received from the directors and controlling shareholders	8	77
Lease payment paid to a related company controlled by a close member of the directors and controlling shareholders	2,455	–

(ii) Other transactions with related parties

During the six months ended 30 June 2024, the Group received loans from and repaid to ultimate holding company of HK\$173,328,000 (2023: HK\$277,763,000) and HK\$188,643,000 (2023: HK\$109,570,000) respectively.

(iii) Compensation of key management personnel of the Group

	For the six months ended	
	30 June 2024 (Unaudited) HK\$'000	30 June 2023 (Unaudited) HK\$'000
Short-term employee benefits	6,293	6,293
Post-employment benefits	27	27
	6,320	6,320

24. FINANCIAL INSTRUMENTS

Fair value measurement recognised in the condensed consolidated statement of financial position

The fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used) as well as the level of fair value hierarchy which the fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Certain financial assets of the Group are measured at fair values at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000		
Financial assets at FVTPL				
– Club and school debentures	13,136	13,268	Level 2	Estimated transaction prices
– Listed equity investments	58,404	54,187	Level 1	Quoted bid prices in an active market
– Other investments	858	1,073	Level 2	Quoted prices from the fund managers
Equity instruments at FVTOCI				
– Unlisted equity investments	4,127	4,127	Level 3	Market approach and discount of lack of marketability of 20.5% (31 December 2023: 20.5%)

During the six months ended 30 June 2024 and 2023, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial assets and liabilities.

24. FINANCIAL INSTRUMENTS (Continued)**Fair value measurement recognised in the condensed consolidated statement of financial position (Continued)**

The fair value of unlisted equity investments at FVTOCI is determined using the market approach adjusted for lack of marketability discount. The fair value is negatively correlated to the discount for lack of marketability.

As at 30 June 2024 and 31 December 2023, it is estimated that an increase/(decrease) of 3% in the unobservable input, with all other variables held constant, would have (decrease)/increase the Group's other comprehensive income as follows:

As at 30 June 2024 (Unaudited) and 31 December 2023 (Audited)	Increase/ (Decrease) in unobservable input %	(Decrease)/ Increase in other comprehensive income HK\$'000
Discount for lack of marketability	3 (3)	(124) 124

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Equity instruments at FVTOCI		
At the beginning of the period/year	4,127	4,041
Changes in fair value recognised in other comprehensive income	–	86
At the end of the period/year	4,127	4,127

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

25. LITIGATION

Deed and purported cancellation

On 15 May 2020, the Company and Sincere jointly announced a voluntary conditional cash offer (subject to the satisfaction or waiver (as the case may be) of certain pre-conditions) to acquire all of the issued shares of Sincere (the "Offer").

On 29 October 2020, Win Dynamic, the then controlling shareholder of Sincere, executed a deed in favour of Sincere at no consideration (the "Deed"). Pursuant to the Deed, Win Dynamic has irrevocably undertaken to Sincere to gift to Sincere the sum falling to be paid by the Company to Win Dynamic upon its acceptance of Offer relating to all the 662,525,276 shares of Sincere held by it, which was expected to amount to approximately HK\$260,443,000 (after deducting Win Dynamic's ad valorem stamp duty). As disclosed in the announcement of Sincere dated 29 October 2020, Sincere at that time intended that this gift from Win Dynamic, when received, would be applied as working capital of Sincere and its subsidiaries (the "Sincere Group").

On 4 February 2021, Sincere announced that the board of directors of Sincere (the "Sincere Board") had received a letter from Win Dynamic dated 3 February 2021 stating Win Dynamic's declaration that the Deed was null and void and cancelled with immediate effect, for the reason that it was executed by Win Dynamic under undue influence and duress, given without separate legal representation or proper advice, and was an undervalue transaction pursuant to section 265D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Purported Cancellation").

As stated in Sincere's announcement dated 4 February 2021, the Sincere Board (with Mr. Philip Ma and Mr. Charles M W Chan (collectively the "Dissenting Directors") disagreeing) did not admit that the Deed was null or void or had been cancelled. For the interest of Sincere and its shareholders as a whole, the Sincere Board had resolved to include the review of the implication of the Purported Cancellation to the term of reference of the independent committee of the Sincere Board comprising independent non-executive directors, namely Mr. King Wing Ma, Mr. Eric K K Lo, Mr. Peter Tan and Mr. Anders W L Lau (collectively the "Sincere IBC"). The Sincere IBC had thereafter sought separate legal advice in respect of the Purported Cancellation.

In response to a letter from the legal adviser of the Sincere IBC to Win Dynamic requesting for evidence to support its reason for the Purported Cancellation, Win Dynamic responded in its reply letter that its professional adviser had advised it not to provide to Sincere any information relating to the Deed.

The Company was informed, amongst other things, that the Sincere Board (except for the Dissenting Directors) (i.e. the Sincere IBC) did not admit that the Purported Cancellation was valid or effective. In response to an email from the legal adviser of the Sincere IBC to the legal adviser of the Company requiring the proceeds received by Win Dynamic from its sale of shares of Sincere to the Company to be paid to Sincere and not Win Dynamic, the legal adviser of the Company responded, amongst other things, that the Company would conduct the Offer, including but not limited to the settlement of the cash consideration for the valid acceptances of the Offer, in accordance with the terms and conditions of the Offer and in compliance with the Code on Takeovers and Mergers.

25. LITIGATION (Continued)

Deed and purported cancellation (Continued)

On 12 May 2021, Sincere was informed by the legal adviser of the Company that the Company had issued a writ of summons (the "Writ") in the High Court of the Hong Kong Special Administrative Region (the "High Court") against Win Dynamic on 10 May 2021 in relation to the Purported Cancellation (the "Action"). The Company claimed against Win Dynamic, among others, for an order of specific performance requiring Win Dynamic to forthwith pay Sincere the net proceeds in respect of Sincere's shares tendered by Win Dynamic for acceptance of the Offer, after deducting the seller's ad valorem stamp duty payable by it, amounting to approximately HK\$260,435,000 (the "WD Proceeds").

The Company also applied to the High Court for an interlocutory injunction against Win Dynamic (the "Injunction Application") on 11 May 2021 which was heard by the High Court on 14 May 2021. Upon hearing submissions from the parties, the High Court has adjourned the hearing of the Injunction Application to a date to be fixed for substantive argument, and the High Court has granted an interim-interim injunction, which shall remain in force pending the substantive determination of the Injunction Application, restraining Win Dynamic from, among others, (a) removing from Hong Kong any of its assets which are within Hong Kong, whether in its own name or not, and whether solely or jointly owned, up to the value of the WD Proceeds; or (b) in any way disposing of or dealing with or diminishing the value of any of its assets, which are within Hong Kong, whether in its own name or not, and whether solely or jointly owned, and whether or not Win Dynamic assets a beneficial interest in them up to the value of the WD Proceeds.

Sincere on 16 July 2021 resolved that it was in the interest of Sincere and its shareholders to commence legal proceedings against Win Dynamic in relation to the Purported Cancellation. At the initiation of the Company, Sincere agreed to be joined as a party to the Action. By the consent of the Company and Win Dynamic, On 9 November 2021, the High Court ordered, amongst other things, the Company be given leave to (i) join Sincere as the 2nd plaintiff and Mr. Philip Ma as the 2nd defendant in the Action; and (ii) amend the Writ and the statement of claim in relation to the Purported Cancellation.

On 15 November 2021, the Company and Sincere amended the statement of claim against Win Dynamic and Mr. Philip Ma. Sincere claimed against Win Dynamic and Mr. Philip Ma for, among others, (i) an order of specific performance of the Deed requiring Win Dynamic to forthwith pay Sincere the WD Proceeds, or such other sum as the High Court may determine, and (ii) a declaration that the Deed is valid and binding, and Mr. Philip Ma had breached his contractual and/or fiduciary duties to Sincere.

Win Dynamic and Mr. Philip Ma filed and served their Defence and Counterclaim in the Action on 18 January 2022 and 14 March 2022 respectively. Win Dynamic and Mr. Philip Ma averred, among others, that the Company and Sincere were not entitled to any remedy against them. They further counterclaimed against the Company and Sincere for, among others, a declaration that the Deed is null and void and/or unenforceable, or alternatively, that the Deed was lawfully rescinded, cancelled or revoked by Win Dynamic and is of no legal effect.

Further details were disclosed in the announcements of Sincere dated 29 October 2020 and 4 February 2021, the offer document of the Company dated 5 May 2021 (the "Offer Document") and the response document of Sincere dated 20 May 2021 (the "Response Document").

The Company and Sincere filed and served their Reply and Defence to Win Dynamic's Counterclaim on 10 May 2022, and their Reply and Defence to Mr. Philip Ma's Counterclaim on 8 June 2022 respectively. The Company and Sincere averred that the Deed is enforceable and cannot be legal revoked.

25. LITIGATION (Continued)

Deed and purported cancellation (Continued)

The Company and Sincere filed and served their Re-Amended Statement of Claim on 14 November 2022. The Company and Sincere averred that Sincere is a joint promisee under the 2nd agreement together with the Company. The 2nd agreement of which the Deed is an integral part was intended to benefit Sincere and consisted of an undertaking or promise on the part of Win Dynamic to benefit Sincere, namely to vest the benefit of the WD Proceeds or an equivalent sum in Sincere, which shall be used as its working capital after the Company becomes its controlling shareholder.

Win Dynamic filed and served its Amended Defence and Counterclaim and Mr. Philip Ma filed and served his Amended Defence and Counterclaim on 9 December 2022. Win Dynamic and Mr. Philip Ma averred that the alleged 2nd Agreement (even if existed) and the Deed are null and void or unenforceable. They further averred that neither Dr. Lin, who had no authority to act on behalf of Sincere at the material time whether as alleged or at all, nor Mr. Philip Ma had agreed on behalf of Sincere that Sincere would apply the WD Proceeds as working capital after the Company becomes the controlling shareholder of Sincere.

The Company and Sincere filed and served their Amended Reply and Defence to the Counterclaim of Win Dynamic, and their Amended Reply and Defence to the Counterclaim of Mr. Philip Ma on 9 February 2023. The Company and Sincere averred that Dr. Lin was acting on behalf of Sincere in respect of a promise which would take effect after the Company becomes Sincere's controlling shareholder.

Between 22 June 2023 and 4 July 2023, the parties proceeded to discovery of documents.

On 7 September 2023, Win Dynamic informed the Company that the WD Proceeds which was maintained with Citibank N.A. Hong Kong ("Citibank") had been placed in its fixed deposit account on 31 July 2023.

On 22 February 2024, Win Dynamic applied to the High Court to further amend the injunction order made on 14 May 2021 as continued and varied by the order made on 6 April 2022 (the "Injunction Order") thereby allowing the WD Proceeds to be placed in fixed deposit account to generate interest returns.

On 5 March 2024, the Company applied to the High Court for an order that Win Dynamic to disclose the current location of the WD Proceeds maintained with Citibank.

On 8 March 2024, the High Court granted leave to Win Dynamic that it is at liberty, with the Company's written consent, to place the WD Proceeds maintained with Citibank in fixed deposit account, and further ordered Win Dynamic to disclose the current location of the WD Proceeds maintained with Citibank.

On 14 March 2024, Win Dynamic made disclosure pursuant to the High Court's order made on 8 March 2024.

On 18 March 2024, the parties filed and exchanged their respective witness statements.

The date of trial has not been fixed.

During the year ended 31 December 2021, Sincere sought legal advice in respect of this Action and was advised that (i) the Deed is enforceable; and (ii) Sincere has legal and contractual rights over the WD Proceeds. Therefore, the WD Proceeds is initially recognised as "Gift receivable from Win Dynamic" under "Prepayments, deposits and other receivables" with an amount of HK\$150,001,000, being the fair value of the WD Proceeds which is determined based on a credit-adjusted effective interest rate of 9.66%.

25. LITIGATION (Continued)**Deed and purported cancellation (Continued)**

As at 30 June 2024, the carrying amount of gift receivable from Win Dynamic amounting to HK\$200,737,000, net of expected credit loss (the "ECL") allowance of HK\$1,737,000 (As at 31 December 2023: HK\$191,939,000, net of ECL allowance of HK\$1,111,000). During the six months ended 30 June 2024, the Group has also recognised imputed interest income on gift receivable from Win Dynamic under "Other income" of HK\$9,424,000 (Six months ended 30 June 2023: HK\$8,616,000).

26. EVENT AFTER REPORTING PERIOD

As set out in the announcement dated 6 August 2024 of the Group, (i) the Group entered into a sale and purchase agreement on 6 August 2024 with a connected party pursuant to Chapter 14A of the Listing Rules, to dispose of its entire equity share capital of Capital Financial Press Limited and its subsidiaries, which is Commercial Printing Segment, at a nominal consideration of HK\$1 and (ii) the Group has also agreed to procure its two wholly-owned subsidiaries to assign two debts to the connected party each at a nominal consideration of HK\$1 on 6 August 2024, resulted in a estimated gain on disposal of approximately HK\$2,950,000, which is calculated based on the financial information as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activities of the Group during the period under review mainly included property investment, development and commercial operation (the "Property Segment"); financial services, included corporate finance advisory, asset management, securities brokerage services, margin financing and money lending (the "Financial Services Segment"); environmental protection industry, mainly dismantling, processing, trading and sales of scrap materials (the "EP Segment"); distribution and sales of motor vehicle parts (the "MVP Segment"); financial printing, digital printing and other related services (the "Commercial Printing Segment"); the operation of department stores and the provision of general and life insurances (the "Department Store Segment"); and provision of citizenship application and consultancy services on citizenship by investment programme and development of project in Grenada which integrates a collection of educational facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities ("Latin America and Caribbean Segment" or "LAC Segment").

OVERALL FINANCIAL REVIEW

During the six months ended 30 June 2024 (the "1H2024"), the Group recorded a total revenue of HK\$349.6 million, representing a decrease of 10.9% as compared to that of the six months ended 30 June 2023 (the "1H2023") of HK\$392.5 million. The Group recorded a net loss of HK\$551.0 million in 1H2024 as compared to a net profit of HK\$26.0 million in 1H2023.

Revenue and gross profit

The following was an analysis of the Group's revenue by operating and reportable segments:

	1H2024		1H2023		Increase/(decrease) in revenue	
	HK\$' million	% to total revenue	HK\$' million	% to total revenue	HK\$' million	% of changes
Property Segment	22.2	6.4%	8.9	2.2%	13.3	149.4%
Financial Services Segment	87.3	25.0%	88.2	22.5%	(0.9)	(1.0%)
EP Segment	136.7	39.1%	170.6	43.5%	(33.9)	(19.9%)
MVP Segment	1.7	0.5%	16.7	4.3%	(15.0)	(89.8%)
Commercial Printing Segment	24.1	6.9%	32.1	8.2%	(8.0)	(24.9%)
Department Store Segment	65.0	18.6%	74.4	19.0%	(9.4)	(12.6%)
LAC Segment	11.4	3.3%	0.1	0.0%	11.3	11,300.0%
Others	1.2	0.2%	1.5	0.3%	(0.3)	(20.0%)
Total	349.6	100.0%	392.5	100.0%	(42.9)	(10.9%)

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OVERALL FINANCIAL REVIEW (Continued)

Revenue and gross profit (Continued)

The Group's revenue in 1H2024 was HK\$349.6 million, representing a decrease of HK\$42.9 million or 10.9% as compared to HK\$392.5 million in 1H2023. The decrease was mainly attributable to four segments of business of the Group, namely EP Segment, MVP Segment, Commercial Printing Segment and Department Store Segment. The aggregate decrease in revenue generated from these segments was partially offset by an increase in revenue generated from two segments of business of the Group, namely Property Segment and LAC Segment. Reasons for the changes in relevant segment revenue were set out in the section of Financial Review of each segment.

The gross profit decreased by HK\$19.2 million to HK\$135.9 million in 1H2024 as compared to HK\$155.1 million in 1H2023.

Other income

Other income was HK\$16.3 million in 1H2024 as compared to HK\$16.5 million in 1H2023 which was mainly attributable to (i) imputed interest income on gift receivable from Win Dynamic Limited ("Win Dynamic") of HK\$9.4 million (1H2023: HK\$8.6 million); (ii) interest income on credit-impaired loan receivables of HK\$3.5 million (1H2023: HK\$3.6 million); and (iii) bank interest income of HK\$1.3 million (1H2023: HK\$1.2 million).

Other gains, net

Other gains, net was HK\$76.4 million in 1H2024 as compared to HK\$126.0 million in 1H2023 which was mainly comprised the net foreign exchange gain of HK\$77.9 million (1H2023: HK\$127.0 million) and unrealised fair value loss on financial assets at fair value through profit or loss ("FVTPL") of HK\$1.3 million (1H2023: HK\$2.1 million).

Due to the depreciation of Renminbi against Hong Kong Dollar during 1H2024 and 1H2023, the Group recorded a net foreign exchange gain of HK\$77.9 million (1H2023: HK\$127.0 million) which was resulted from the translation of liabilities of the Company denominated in Renminbi.

The Group invested in listed securities in Hong Kong, club and school debentures in Hong Kong and other investment for investment purpose which were classified as financial assets at FVTPL. As at 30 June 2024, the financial assets at FVTPL amounted to HK\$72.4 million (31 December 2023: HK\$68.5 million). The increase in financial assets at FVTPL was due to the additional investment in listed securities in Hong Kong. However, there was unrealised fair value loss of the financial assets at FVTPL of HK\$1.3 million in 1H2024 as compared to HK\$2.1 million in 1H2023 due to the decrease in the market value of the listed securities in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OVERALL FINANCIAL REVIEW (Continued)

Provision for impairment losses, net

The Group recorded provision for impairment losses of HK\$81.8 million in 1H2024 as compared to HK\$27.6 million in 1H2023 which represented the increase in expected credit losses of trade receivables of HK\$79.3 million (1H2023: HK\$26.5 million), receivables arising from securities broking of HK\$0.5 million (1H2023: HK\$0.1 million), loan receivables of HK\$1.4 million (1H2023: HK\$0.3 million) and other receivables of HK\$0.6 million (1H2023: HK\$0.7 million).

The increase in expected credit losses of trade receivables of HK\$79.3 million in 1H2024 was mainly due to the increase in credit risk from the long outstanding trade receivables arising from EP Segment and MVP Segment.

Loss/Gain on fair value changes of investment properties, net

The fair value changes of investment properties recorded loss on fair value changes of investment properties of HK\$211.7 million in 1H2024 as compared to gain on fair value changes of HK\$434.3 million in 1H2023. In 1H2024, the property markets in Hong Kong and the Mainland China faced challenges since the stimulus policies for the property markets generated short-term effects only as compared to the rebound from Hong Kong and the Mainland China property markets after the full resumption of normal travel between the Mainland China and Hong Kong in February 2023.

Selling and distribution expenses

Selling and distribution expenses mainly represented (i) staff costs and depreciation of right-of-use assets for the retail shops of Department Store Segment; and (ii) amortisation of other intangible assets of customer relationship arising from the acquisition of Realord Century Service Company Limited and its subsidiary, Hartman Culture Development (Shanghai) Co., Ltd.* (哈特曼文化發展(上海)有限公司) and Realord Century Business Service (Shenzhen) Co., Ltd.* (偉祿世紀商務服務(深圳)有限公司).

There was a decrease in selling and distribution expenses by HK\$4.1 million from HK\$42.3 million in 1H2023 to HK\$38.2 million in 1H2024 since other intangible assets of customer relationship was fully amortised in February 2024.

Administrative expenses

Administrative expenses mainly represented staff costs, depreciation of right-of-use assets and legal and professional fees. The decrease in administrative expenses by HK\$13.5 million from HK\$144.5 million in 1H2023 to HK\$131.0 million in 1H2024 was mainly resulted from (i) the reduction of staff costs by HK\$11.8 million from Financial Services Segment, Commercial Printing Segment and Department Store Segment; and (ii) the reduction of HK\$1.4 million in the depreciation for right-of-use assets of office premises in LAC Segment and MVP Segment.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OVERALL FINANCIAL REVIEW (Continued)

Finance costs

Finance costs mainly represented interest on bank borrowings, loans from ultimate holding company, other borrowings and loan from a related company. Finance costs decreased by HK\$13.1 million from HK\$390.6 million in 1H2023 to HK\$377.5 million in 1H2024 mainly due to the net effect of (i) decrease in interest on bank borrowings by HK\$29.5 million due to the decrease in loan interest expenses incurred for the borrowings denominated in Renminbi as a result of depreciation of Renminbi against Hong Kong Dollar and reduction of interest rates in the Mainland China; and (ii) increase in interest on loans from ultimate holding company by HK\$13.0 million as a result of the increase in loans from ultimate holding company from HK\$2,558.4 million as at 30 June 2023 to HK\$2,779.2 million as at 30 June 2024.

Net loss/profit

The operating results of the Group for 1H2024 remained challenging in the lackluster market conditions. The Group recorded net loss for 1H2024 mainly attributable to (i) loss on fair value changes of investment properties of HK\$211.7 million (1H2023: gain on fair value changes of HK\$434.3 million); and (ii) the provision for expected credit losses on trade receivables made in accordance with the accounting policy of the Group of HK\$79.3 million (1H2023: HK\$26.5 million).

FINANCIAL REVIEW OF EACH SEGMENT

Property Segment

The revenue of Property Segment was mainly derived from the rental income of the Group's investment properties. The Group generated rental income of HK\$22.2 million in 1H2024 as compared to HK\$8.9 million in 1H2023. The increase in rental income was mainly generated from the accrued rental income under rent-free period from the Phase I of Realord Technology Park in 1H2024.

Property Segment recorded a segment loss of HK\$378.6 million in 1H2024 as compared to segment profit of HK\$235.6 million in 1H2023. The turnaround of the result was mainly attributable to the loss on fair value changes of investment properties of HK\$211.7 million in 1H2024 as compared to the gain on fair value changes of HK\$434.3 million in 1H2023. Reasons for the changes were set out in "Loss/Gain on fair value changes of investment properties, net" above.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL REVIEW OF EACH SEGMENT (Continued)

Financial Services Segment

The revenue of Financial Services Segment was HK\$87.3 million in 1H2024, representing a slight decrease of HK\$0.9 million or 1.0% as compared to HK\$88.2 million in 1H2023. The decrease in revenue was due to the net effect of (i) decrease in interest income from margin financing business and money lending business by HK\$6.5 million and HK\$5.0 million respectively; (ii) decrease in commission income from securities broking by HK\$20.0 million; and (iii) increase in income from financial services by HK\$30.6 million.

Financial Services Segment recorded a segment profit of HK\$30.6 million in 1H2024, representing a decrease of HK\$14.8 million as compared to HK\$45.4 million in 1H2023. The decrease was mainly due to the net effect of (i) increase in referral expenses for placement and underwriting projects of HK\$25.3 million, (ii) decrease in staff costs of HK\$5.5 million; and (iii) decrease in provision for expected credit losses on trade receivables of HK\$5.2 million.

EP Segment

The revenue of EP Segment decreased by HK\$33.9 million from HK\$170.6 million in 1H2023 to HK\$136.7 million in 1H2024 since the Group imposed stricter credit control on customers and concentrated on its business in Japan market.

EP Segment recorded a segment loss of HK\$71.3 million in 1H2024 as compared to HK\$21.6 million in 1H2023. The increase in segment loss was mainly attributable to the decrease in gross profit resulted from the decrease in revenue and the increase in provision for expected credit losses from long outstanding trade receivables resulting from the delay in repayments from customers.

MVP Segment

The revenue of MVP Segment decreased from HK\$16.7 million in 1H2023 to HK\$1.7 million in 1H2024 since the Group imposed stricter credit control on customers and downsized its scale of operations.

MVP Segment recorded a segment loss of HK\$13.0 million in 1H2024 as compared to HK\$2.6 million in 1H2023. The increase in segment loss was mainly attributable to the decrease in revenue and increase in provision for expected credit losses from long outstanding trade receivables resulting from the delay in repayments from customers.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL REVIEW OF EACH SEGMENT (Continued)

Commercial Printing Segment

The revenue of Commercial Printing Segment decreased by HK\$8.0 million to HK\$24.1 million in 1H2024 as compared to HK\$32.1 million in 1H2023. Under the challenging business environment, the demand for commercial printing services had weakened due to the slow-down of the financial market in Hong Kong.

Commercial Printing Segment recorded a segment loss which increased by HK\$1.8 million from HK\$4.6 million in 1H2023 to HK\$6.4 million in 1H2024. It was mainly resulted from the decrease in gross profit by HK\$4.7 million, which was partially offset by the decrease in staff costs by HK\$2.8 million.

Department Store Segment

The revenue of Department Store Segment in 1H2024 was HK\$65.0 million, decreased by HK\$9.4 million or 12.6% as compared to HK\$74.4 million in 1H2023. The segment loss was HK\$12.4 million in 1H2024 which increased by HK\$5.0 million as compared to HK\$7.4 million in 1H2023. The increase in loss was mainly attributable to (i) a decrease in revenue of HK\$9.4 million, when compared to the revenue of HK\$74.4 million for 1H2023; and (ii) a decline in gross profit margin for revenue made, from 59.1% in 1H2023 to 55.2% in 1H2024, as a result of more price cutting to promote sales.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL REVIEW OF EACH SEGMENT (Continued)

LAC Segment

The revenue of LAC Segment generated from provision for citizenship application and consultancy services on citizenship by investment programme (“CBI Programme”) was HK\$11.4 million in 1H2024 as compared to HK\$0.1 million in 1H2023. The increase in revenue was resulted from the client’s citizenship had been granted by the Minister as set out in Section 8 of the Grenada Citizenship by Investment Act 15 of 2013.

LAC segment recorded a segment loss of HK\$6.7 million in 1H2024 as compared to HK\$18.4 million in 1H2023. The decrease in segment loss was attributable to the increase in provision for citizenship application and consultancy services of HK\$11.3 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow, cash reserve, banking facilities, other borrowings and facilities provided by the ultimate holding company and a related company. The Group is financially sound with healthy cash position. The Group’s cash and bank balances as at 30 June 2024 amounted to HK\$64.0 million (31 December 2023: HK\$153.3 million) which were mainly denominated in HK\$ and RMB (31 December 2023: HK\$ and RMB).

The gearing ratio of the Group as at 30 June 2024 was 440.2% (31 December 2023: 364.8%), which is calculated based on the interest-bearing borrowings denominated in HK\$ and RMB (31 December 2023: HK\$ and RMB) of HK\$12,875.9 million (31 December 2023: HK\$13,105.8 million) and divided by the equity attributable to owners of the Company of HK\$2,925.2 million (31 December 2023: HK\$3,592.9 million). The interest-bearing borrowings carried interest rate ranging from 2% to 13% per annum (31 December 2023: 2% to 12% per annum) with maturity ranging from within 1 year to 27 years (31 December 2023: within 1 year to 27 years).

The directors of the Company consider that the Group’s cash holding, liquid assets, future revenue, available banking facilities and the facilities provided by the ultimate holding company and a related company will be sufficient to fulfil the present working capital requirement of the Group.

FOREIGN EXCHANGE

Most of the transactions of the Group were denominated in Hong Kong Dollars, US Dollars, Euro, Japanese Yen, Renminbi and East Caribbean Dollars. The reporting currency of the Group is Hong Kong dollars.

The Group is exposed to foreign exchange risk arising from exposure in the US Dollars, Euro, Japanese Yen, Renminbi and East Caribbean Dollars against Hong Kong Dollars. The management has continuously monitored the level of exchange rate exposure and shall adopt financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL GUARANTEES AND CHARGES ON ASSETS

As at 30 June 2024, corporate guarantees amounting to HK\$8,516.4 million (31 December 2023: HK\$8,753.0 million) were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries while corporate guarantees amounting to HK\$8,516.4 million (31 December 2023: HK\$8,733.0 million) was given to banks in the Mainland China by the Company for the provision of general banking facilities granted to its subsidiaries in the Mainland China. Besides, the general banking facilities granted to the subsidiaries of the Company were secured by legal charges on certain investment properties, leasehold land and buildings, properties under development, proposed development project and asset classified as held for sale owned by the Group with a total net book value of HK\$9,044.5 million (31 December 2023: HK\$9,468.4 million), HK\$350.4 million (31 December 2023: HK\$535.4 million), HK\$3,250.5 million (31 December 2023: HK\$3,331.2 million), HK\$2,100.7 million (31 December 2023: HK\$2,101.9 million) and HK\$177.0 million (31 December 2023: Nil) respectively. Meanwhile, corporate guarantees amounting to HK\$9,236.5 million (31 December 2023: HK\$9,445.8 million) were given to banks by the directors and controlling shareholders of the Company for the provision of general banking facilities granted to its subsidiaries. Besides, corporate guarantees amounting to HK\$299.6 million (31 December 2023: HK\$308.4 million) was given to banks by the related parties of the Group for the provision of general banking facilities granted to its subsidiaries while corporate guarantees amounting to HK\$299.6 million (31 December 2023: HK\$288.4 million) was given to banks in the Mainland China by the related parties of the Group for the provision of general banking facilities granted to its subsidiaries in the Mainland China. In addition, certain bank borrowings were secured by the Group's restricted bank balances and deposits of HK\$1.2 million (31 December 2023: HK\$11.3 million) and shares of certain subsidiaries.

For other borrowings from financial institutions as at 30 June 2024, corporate guarantees amounting to HK\$56.1 million (31 December 2023: HK\$56.1 million) were given to the financial institutions by the Company for the provision of other borrowings granted to the subsidiaries. Besides, other borrowings from financial institutions granted to the subsidiaries of the Company were secured by legal charges on certain investment properties with carrying amount of HK\$65.2 million (31 December 2023: HK\$73.7 million). Moreover, certain other borrowings were secured by securities collateral pledged to the Group by margin clients with market value of HK\$298.1 million (31 December 2023: HK\$155.4 million). Besides, personal guarantees up to HK\$90.9 million (31 December 2023: HK\$30.0 million) were given to independent third parties by a director and controlling shareholder of the Company for the provision of other borrowings granted to the Company. In addition, certain other borrowings were secured by certain shares of a subsidiary of the Group. Besides, certain other borrowings to the subsidiaries of the Company were under repurchase arrangement by using the securities collateral pledged to the Group by margin clients with market value of Nil (31 December 2023: HK\$77.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW OF EACH SEGMENT

During 1H2024, the global economy and business performance did not recover as the market expected. The slow and uncertain recovery was resulted from the high interest rate, inflationary pressure, the uncertain of global economic growth, the unstable international geopolitics specially the impact from Russo-Ukrainian conflict and Israel-Hamas war, and the strict regulation and supervision of various industries in the Mainland China. The first half of 2024 did not show signs of recovery.

Set out below was the review of each segment of the Group's business.

Property Segment

The Group held three investment property projects namely Realord Villas and Zhangkengjing Property in Longhua District, and Realord Technology Park in Guangming District in Shenzhen, the PRC. The Group also held proposed development project and properties under development namely Laiying Garden in Nanshan District and Qiankeng Property in Longhua District respectively in Shenzhen, the PRC. There were five property projects on hand as at 30 June 2024 and 31 December 2023.

In 1H2024, there were various development progress on five property projects. Firstly, for Realord Villas, up to the date of report, the number of tenants of Sincere Mall was 50 including children's amusement park, education training centres, restaurants, fitness studios and billiard room. Secondly, for Realord Technology Park, the construction scale was approximately 110,000 square meters. For Phase I, a lease agreement was signed with hotel operator with international branded hotel operating experience under a lease term starting from 2024. For Phase II, the development plan will be started once government approval is granted. Thirdly, for Qiankeng Property, the construction scale was approximately 166,000 square meters and the redevelopment works were processing since the Group obtained the construction permits on earthwork and foundation construction in October 2023. In May 2024, the construction project planning permit was obtained from relevant government authority. In July 2024, the construction permit was obtained and the redevelopment works on basement main structure engineering were processing up to the date of report. Fourthly, for Zhangkengjing Property, the application of change of land use from industrial use to residential apartments and commercial use was still under review as at the reporting date. Fifthly, for Laiying Garden, the Group obtained the land use permit from relevant government authority in July 2023 and obtained the construction permit on earthwork and foundation construction in March 2024 and the redevelopment works on foundation and earthwork construction were processing up to the date of report.

Financial Services Segment

In 1H2024, under the shadow of high interest rate, the Hong Kong financial market still not optimistic. However, Financial Services Segment is committed to providing diversified and premium services to customers in the primary and secondary markets.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW OF EACH SEGMENT (Continued)

EP Segment

EP Segment remained to be the Group's major revenue contributor which was benefited from the large scale of Realord EP Japan leased land in Osaka, Japan with approximately 19,609 square meters (4 pieces). EP Segment will concentrate on searching for new sources of metal scraps and exploring new customer especially in Japan.

MVP Segment

Through the Group imposed stricter credit control on its customers and downsized its scale of operations, the segment revenue dropped significantly and recorded segment losses in 1H2024.

Commercial Printing Segment

Due to the slow-down of financial markets in Hong Kong, demand for commercial printing services had weakened. The revenue generated from Commercial Printing Segment had decreased and net loss had increased.

On 6 August 2024, the Commercial Printing Segment was disposed to a connected party pursuant to Chapter 14A of the Listing Rules at a nominal consideration of HK\$1. Further details are disclosed in the announcement of the Company dated 6 August 2024.

Department Store Segment

During 1H2024, the consumer and retail market in Hong Kong experienced a period of sluggish consumer spending, resulting in keen competition among the retailers with more sales promotion campaigns and pricing cutting. The generally stagnant market sentiment had also impacted the results of the Group for 1H2024. In view of the segment performance, the Department Store Segment continued to (i) adopt pro-active measures to reduce operating costs; (ii) negotiate with the landlords for rental concession; and (iii) reassess the profitability of stores and the products portfolios.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW OF EACH SEGMENT (Continued)

LAC Segment

The principal business of LAC Segment was provision of citizenship application and consultancy services on CBI Programme and development of the Grenada Project. The Grenada Project involved the development of a mixed property project consisting educational facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities.

The Government of Grenada granted LAC Segment the “Approval Project Status” such that LAC Segment can develop the Grenada Project on foreign investors’ funding in accordance with the local laws under Section 11 of the Grenada Citizenship by Investment Act 15 of 2013 and a CBI Programme in Grenada. Through the CBI Programme, LAC Segment is authorised to raise capital from investors of the Project for funding the construction and development costs. Qualified investors of the real properties will be granted permanent Grenadian citizenship and a passport offering visa-free travel to over 153 countries including the United Kingdom, EU Schengen countries and the Mainland China. The Project marks a significant flag of our Group into the Caribbean region.

OUTLOOK AND CORPORATE STRATEGY

Property Segment

The Group will focus on the five properties projects on hand, namely, the Qiankeng Property, the Laiying Garden, the Realord Villas, the Realord Technology Park and the Zhangkengjing Property to ensure that the Group stays in a good position in this segment.

Financial Services Segment

As the market expects the Federal Fund Rate cut is approaching, the Group expects that Hong Kong’s financial market and economic development will be gradually recovered. Financial Services Segment will continuously develop various investment products to meet the market’s demand and provide diversified and premium services to customers in the international capital market. The Group expects that the Financial Services Segment will achieve stable business growth once the Hong Kong’s financial market recovered.

EP Segment

Looking forward, amidst the market uncertainties, the Group will continue to exercise extreme cautions in the operations of EP Segment with a view to controlling operating costs, minimising the credit risk exposures and expanding the customers base of the segments by strengthening their competitive edges among their competitors. The Group will continue to monitor the business plans, the associated risks and prospects of the operations, in order to maximise the return to the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OUTLOOK AND CORPORATE STRATEGY (Continued)

MVP Segment

Under the promoting of international environmental protection across the globe, the electric vehicle market size had increased significantly in recent years. Governments in various countries also provided subsidies and supported to customers for changing from petrol to electric vehicle. Looking forward, the Group expects the market trend of shifting from petrol to electric vehicles will continue and the demand for petrol vehicles is expected to decrease. The Group will be extremely cost cautious on the operations of MVP Segment and closely monitor the business development of this segment.

Department Store Segment

Looking ahead, the Group anticipates that the retail sector in Hong Kong will continue to be challenging amidst the sluggish consumer spending and the increased trend of online shopping behavior of customers in the retail sector. Meanwhile, the Group will keep on monitoring and adjusting nimbly the Group's operating strategies of the department store operation to cater the challenging operating environment.

LAC Segment

The Grenada Project presented a valuable opportunity for the Group to diversity its business and operations in the Caribbean and Latin American region and enabled it to expand its scale of overseas operation. By inviting foreign investment under the CBI Programme of Grenada, the Group had embarked on the Grenada Project and had established a management and marketing team with offices in Beijing, Shanghai, Shenzhen and Hong Kong and engaged consultants in the United States of America to implement the marketing strategies formulated for promoting the citizenship by investment programmes.

The Group is keen to leverage its experience in the Grenada Project to explore further investment opportunities around the Caribbean economic zone and Latin American region. It is the corporate strategy of the Group to invest and/or to form joint ventures with local governments in the Caribbean economic zone to set up and develop new businesses taking advantage of raising capital from foreign investors through the CBI Programme of different countries. The Caribbean region has long been popular with the Western countries such as Europe, the United States of America and Canada, and is an ideal place for vacations. In particular, Antigua and Barbuda, and Saint Kitts and Nevis are closer to the United States of America, and both countries have direct flights to Europe, the United States of America and Canada. It is the Group's strategy to seek for professional investors to jointly invest in the projects in the Caribbean economic zone and Latin American region. Further, the Group is identifying capable and competent business partners with significant track record to participate in the projects. Subject to the planning and the feasibility studies of the projects as well as the requisite approval by the respective local government, it is expected that the Group would kick off the projects in near future.

OTHER INFORMATION

CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at 30 June 2024.

COMMITMENT

Save as disclosed in note 22 of the condensed consolidated interim financial statements, the Group has no other significant commitment as at 30 June 2024.

LITIGATION

Reference is made to the note 57 to the consolidated financial statements of the Company for the year ended 31 December 2023, all claim for interest on the Judgment Sum, costs claims have been settled and paid by Sincere to the former director of Sincere in July 2024. In the opinion of the Board, the High Court proceedings brought by the former director of Sincere has been fully finalised.

Other than the above, and save as disclosed in note 25 to the condensed consolidated interim financial statements, the Group has no other significant litigation as at 30 June 2024.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

No significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2024.

EVENTS AFTER REPORTING PERIOD

Saved as disclosed in note 26 to the condensed consolidated interim financial statements, no other significant event has taken place subsequent to 30 June 2024 and up to the date of this report.

DIVIDENDS

The board (the "Board") of directors (the "Directors") does not recommend the payment of interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

OTHER INFORMATION (Continued)

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

As at 30 June 2024, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") were as follows:

Directors' interests in shares – Long position in the shares of the Company (the "Shares")

Name of director	Number of Shares held					Total interests as % of the issued share capital
	Personal interests (held as beneficial owner)	Corporate interests	Spouse interests	Interest under equity derivatives	Total interests	
Dr. Lin Xiaohui	-	903,160,000 (Note 1)	-	42,590,000 (Note 2)	945,750,000	65.64%
Madam Su Jiaohua	-	-	945,750,000	-	945,750,000 (Note 3)	65.64%
Mr. Lin Xiaodong	-	-	-	1,000,000 (Note 4)	1,000,000	0.07%
Mr. Yu Leung Fai	500,000	-	-	-	500,000	0.03%
Mr. Fang Jixin	500,000	-	-	-	500,000	0.03%

Note:

- As at 30 June 2024, Manureen Holdings Limited ("Manureen Holdings") was the legal and beneficial owner of 903,160,000 Shares. Since Dr. Lin Xiaohui owned 70% of the issued share capital of Manureen Holdings, he was deemed to be interested in 903,160,000 Shares.
- As at 30 June 2024, Dr. Lin Xiaohui was beneficially interested in 42,590,000 Shares (together with Mr. Ma Chao) which (i) some nominees of Mr. Ma Chao exercised their first put option in July 2022 requiring Dr. Lin Xiaohui and/or Mr. Ma Chao to acquire 42,590,000 shares of the Company; (ii) Dr. Lin Xiaohui and Mr. Ma Chao did not exercise the call option which lapsed on 31 December 2022; and (iii) none of Mr. Ma Chao's nominees exercised the second put option which lapsed on 30 January 2023. Further details are disclosed in the announcement of the Company dated 28 January 2022.
- Madam Su Jiaohua, the spouse of Dr. Lin Xiaohui, was deemed to be interested in 945,750,000 Shares which Dr. Lin Xiaohui was deemed to be interested under the SFO as at 30 June 2024.
- Mr. Lin Xiaodong was interested in 1,000,000 Shares from options granted under the share option scheme (the "2012 Scheme").

OTHER INFORMATION (Continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

Save as disclosed above, as at 30 June 2024, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, shareholders (other than directors and chief executives of the Company) had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Substantial shareholders' interests in shares – Long position in the shares of the Company (the "Shares")

Name of shareholder	Number of Shares held			Percentage of issued share capital
	Interest held as beneficial owner	Interest under equity derivatives	Total interests	
Manureen Holdings	903,160,000 (Note 1)	–	903,160,000	62.69%
Mr. Ma Chao	136,258,000	42,590,000 (Note 2)	178,848,000	12.41%

Note:

- As at 30 June 2024, Manureen Holdings was the legal and beneficial owner of 903,160,000 Shares. Manureen Holdings was owned as to 70% by Dr. Lin Xiaohui and as to 30% by Madam Su Jiaohua.
- As at 30 June 2024, Mr. Ma Chao was beneficially interested in 42,590,000 Shares (together with Dr. Lin Xiaohui) which (i) some nominees of Mr. Ma Chao exercised their first put option in July 2022 requiring Dr. Lin Xiaohui and/or Mr. Ma Chao to acquire 42,590,000 shares of the Company; (ii) Dr. Lin Xiaohui and Mr. Ma Chao did not exercise the call option which lapsed on 31 December 2022; and (iii) none of Mr. Ma Chao's nominees exercised the second put option which lapsed on 30 January 2023. Further details are disclosed in the announcement of the Company dated 28 January 2022.

Save as disclosed above, as at 30 June 2024, other than the directors and chief executives of the Company whose interests and short positions are set out in the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations" above, the directors and chief executives of the Company were not aware of any person who had any interests and short positions in the shares or underlying shares of the Company according to the register of interest required to be kept by the Company under Section 336 of the SFO.

OTHER INFORMATION (Continued)

SHARE OPTION SCHEMES

The Company operates a share option scheme (the “2012 Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the 2012 Scheme include the Company’s directors and full-time employees of the Group. The 2012 Scheme became effective on 10 August 2012 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

By an ordinary resolution passed at annual general meeting of the Company on 10 June 2022, a new share option scheme (the “2022 Scheme”) has been adopted which effective from 10 June 2022 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

The maximum number of share options currently permitted to be granted under the 2012 Scheme and 2022 Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the 2022 Scheme on 10 June 2022, which is 143,970,988 shares. The maximum number of shares issuable under share options to each eligible participant in the 2012 Scheme and 2022 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted under 2012 Scheme and 2022 Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted under 2012 Scheme and 2022 Scheme to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, (i) in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant); and (ii) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options under 2012 Scheme and 2022 Scheme may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted under 2012 Scheme and 2022 Scheme is determinable by the directors of the Company, and commences after a vesting period of 2 years and ends on a date which is not later than 10 years from the date of the grant of the option but subject to the provisions for early termination of the 2012 Scheme and 2022 Scheme. Unless otherwise determined by the directors of the Company at their sole discretion, there is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of share options under 2012 Scheme and 2022 Scheme is determinable by the directors of the Company, but may not be less than the higher of (i) the closing price of the Company’s shares on the Stock Exchange on the date of offer of the share options; (ii) the average closing prices of the Company’s shares on the Stock Exchange for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the share at the offer date.

Share options do not confer rights to the holders to dividends or to vote at shareholders’ meetings.

OTHER INFORMATION (Continued)

SHARE OPTION SCHEMES (Continued)

At the end of the reporting period and the date of the interim report, the Company had 3,600,000 (31 December 2023: 3,600,000) share options outstanding under the 2012 Scheme, which represented approximately 0.2% (31 December 2023: 0.2%) of the Company's shares in issue as at the date.

Movements of the share options under the 2012 Scheme during the period are as follows:

Name of Grantee	Date of Grant	Exercise Period	Exercise price per share (HK\$)	Outstanding as at 1 January 2024	Granted during the period	Exercised during the period	Outstanding as at 30 June 2024
Director							
Lin Xiaodong	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	1,000,000
				1,000,000	-	-	1,000,000
Directors' associates							
Lin Xiaohong	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	1,000,000
Lin Jingming	20/5/2015	20/5/2017 – 19/5/2025	4.11	1,000,000	-	-	1,000,000
				2,000,000	-	-	2,000,000
Other employees							
In aggregate	20/5/2015	20/5/2017 – 19/5/2025	4.11	600,000	-	-	600,000
				600,000	-	-	600,000
				3,600,000	-	-	3,600,000

During the six months end 30 June 2024, there was no share option granted, exercised, lapsed or cancelled under the 2022 Scheme.

There was no participants with options granted in excess of the individual limit.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in note 23 to the condensed consolidated interim financial statements, no director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors or any of their respective associates has interest in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or has any other conflict of interest with the Group.

OTHER INFORMATION (Continued)

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good corporate governance practices. In the opinion of the Directors, the Company has complied with the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2024.

EMPLOYMENT AND REMUNERATION POLICIES

As at 30 June 2024, the Group had a total workforce of 433, of whom 280, 102, 35 and 16 were based in Hong Kong, the Mainland China, Japan and Grenada. Remuneration packages are generally structured by reference to market terms and individual qualifications, experience and merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will also be based on performance appraisals and other relevant factors. Staff benefit plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance. The Group has established a Remuneration Committee with written terms of reference in compliance with the Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors, the levels of remuneration paid to executive directors and senior management of the Group. The Remuneration Committee comprises 3 members, namely Mr. Fang Jixin, Dr. Lin Xiaohui, and Mr. Yu Leung Fai. This Committee is chaired by Mr. Fang Jixin.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code as contained out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 June 2024.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises 3 members, whom are independent non-executive directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Mr. Ho Chun Chung Patrick. This Committee is chaired by Mr. Yu Leung Fai. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2024.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By Order of the Board
Realord Group Holdings Limited
Lin Xiaohui
Chairman