



**KECK SENG INVESTMENTS
(HONG KONG) LIMITED**

Stock Code : 184



INTERIM REPORT 2025 INTERIM REPORT 2025

CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS

HO Kim Swee@ HO Kian Guan

– *Executive Chairman*

HO Cheng Chong@ HO Kian Hock

– *Deputy Executive Chairman*

TSE See Fan Paul

CHAN Lui Ming Ivan

HO Chung Hui

HO Chung Kain@ HE Chongjing

(*Alternate to HO Chung Hui*)

NON-EXECUTIVE DIRECTORS

HO Eng Chong@ HO Kian Cheong

HO Chung Kiat Sydney@ HE Chongjie Sydney

(*Alternate to HO Kian Cheong*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

KWOK Chi Shun Arthur

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

AUDIT AND COMPLIANCE COMMITTEE

YU Hon To David – *Chairman*

KWOK Chi Shun Arthur

WANG Poey Foon Angela

Stephen TAN

REMUNERATION COMMITTEE

WANG Poey Foon Angela – *Chairlady*

KWOK Chi Shun Arthur

YU Hon To David

Stephen TAN

TSE See Fan Paul

NOMINATION COMMITTEE

KWOK Chi Shun Arthur – *Chairman*

WANG Poey Foon Angela

YU Hon To David

Stephen TAN

TSE See Fan Paul

RISK MANAGEMENT COMMITTEE

Stephen TAN – *Chairman*

WANG Poey Foon Angela

YU Hon To David

TSE See Fan Paul

AUDITORS

KPMG

(*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*)

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Prince's Building

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Hong Kong

SHARE REGISTRAR & TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

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COMPANY SECRETARY

CHENG Ka Kit

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COMPANY'S WEBSITE

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INTERIM RESULTS

The board of directors (the “Board”) of Keck Seng Investments (Hong Kong) Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025.

The consolidated profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 was HK\$11,018,000 (HK\$0.032 earnings per share), compared to HK\$87,330,000 (HK\$0.257 earnings per share) for the first six months of 2024.

The Board has declared an interim dividend of HK\$0.03 (2024: HK\$0.05) per share for 2025 (the “2025 Interim Dividend”) payable on Thursday, 30 October 2025, to equity shareholders whose names appear on the register of members of the Company on Tuesday, 14 October 2025.

FINANCIAL REVIEW

The Group’s revenue was HK\$772.6 million for the first six months of 2025, a decrease of 4.5% as compared to the corresponding period in 2024. The decline was primarily attributable to reduced revenue from Sofitel New York, which was impacted by ongoing renovation works.

The Group’s operating profit was HK\$118.3 million for the period ended 30 June 2025, as compared to HK\$250.4 million for the corresponding period in 2024. The decline was mainly attributable to the HK\$156.2 million gain from the disposal of assets classified as held for sale that was recognised in the prior year.

Profit attributable to equity shareholders was HK\$11.0 million for the period ended 30 June 2025 as compared to HK\$87.3 million in the first half of 2024.

REVIEW OF OPERATIONS

The global economic environment in the first half of 2025 remained challenging, shaped by persistent geopolitical tensions and regional conflicts, including the ongoing Russia-Ukraine war and renewed hostilities between Israel and Hamas. These developments resulted in elevated energy and food prices, reinforcing inflationary pressures across global economies. Trade tensions and policy uncertainties continued to weigh on business sentiment and consumer confidence, limiting the pace of global recovery. In the first half of 2025, Macau’s office and retail segments of the property market softened, reflecting reduced leasing demand and a restrained market outlook. Leasing activities in the residential sector remained fairly steady, with rents rising despite declining sales prices. The Group’s worldwide hospitality operations delivered mixed performance across regions. Strong growth in Vietnam and Japan yielded satisfactory results, while Canada faced softer demand, and China recorded mediocre results. In the U.S., San Francisco showed signs of recovery, whereas New York was affected by ongoing renovations at the Group’s hotel property. Labour shortages and rising costs continued to pose operational challenges in varying degrees across the hospitality sector. The Group continued to prioritise cost control and operational agility, enabling it to navigate the challenging environment effectively. As a result, the Group delivered moderate results in the first half of 2025.

A summary and analysis of the operations are as follows.

Property Operations

Macau

Macau's economy continued its recovery in the first half of 2025, with GDP rising approximately 2.8% year-on-year, reaching close to 90% of pre-pandemic levels. Visitor arrivals grew to 19.2 million, up 14.9% compared to the same period in 2024. The unemployment rate remained low at around 1.9%, supported by a stable labor market and steady wage growth. While consumption and investment posted moderate growth, external economic headwinds and fragile sentiment resulted in a cautious economic outlook, despite ongoing government policy support and a rebound in visitor arrivals.

In the property sector, leasing demand in the commercial segment softened due to subdued commercial activity and cautious tenant sentiment, resulting in increased vacancy rate in office and retail spaces. Retail performance was further weighted down by weaker local foot traffic and limited expansion by retailers, partly due to increased cross-border consumer spending pattern. In contrast, the residential leasing activity remained steady, with rental growth supported by limited new supply.

Despite mixed market conditions, the Group's leasing income from its Macau portfolio increased to HK\$45.5 million in the first half of 2025, compared to HK\$42.8 million in the same period of 2024. This growth was driven primarily by stronger occupancy in residential properties and serviced apartments.

Residential property portfolio occupancy rose to 96% in the first half of 2025, compared to 85% in the same period of 2024. Meanwhile, the Group's office buildings maintained high occupancy of 94% in both the first half of 2025 and the corresponding period of 2024, reflecting the quality and competitiveness of our office portfolio.

A net decrease in fair value of our Macau investment properties of HK\$31.9 million (2024: HK\$41.0 millions) was recorded due to weaker demand and volatility in the commercial, industrial, and office sectors. Our investment properties are held on a long-term basis to earn recurring rental income.

There were no sales of properties during the first half of 2025 due to the ongoing slowdown in Macau property market.

The Group continues to closely monitor Macau's property market as the city navigates a gradual recovery amid broader economic uncertainty. Recent infrastructure upgrades – including the Macau Light Rapid Transit Barra extension, the Shenzhen-Zhongshan Bridge, enhancements to the Hong Kong-Zhuhai-Macau Bridge, and improved Hengqin immigration facilities – have strengthened cross-border connectivity and expanding the region's population reach. Together with strategic initiatives such as the Guangdong-Macao In-Depth Cooperation Zone and the upcoming 25th anniversary of Macau's return to China, these developments are expected to stimulate economic activity and increase visitor inflows, supporting the region's long-term growth prospects. While these developments underpin resilience in the residential sector, reflected in steady demand and rising rents despite recent price adjustments, the commercial and office segments remain under pressure from cautious sentiment and limited corporate expansion. Against this backdrop, the Group is maintaining its existing strategic sales plan and is well-positioned to proceed with the sale of its Macau assets when market at more enhanced market conditions, while actively monitoring Macau's property market to capture suitable opportunities.

Most of the assets in Macau are held by Golden Crown Development Ltd, in which the Group had 70.61% equity interest.

Hotel Operations

	Occupancy		Average Room Rate	
	2025	2024	2025	2024
The People's Republic of China				
Holiday Inn Wuhan Riverside	44%	45%	RMB379	RMB402
Vietnam				
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Tower)	67%	78%	US\$190	US\$178
Caravelle Hotel	74%	73%	US\$164	US\$152
Japan				
Best Western Hotel Fino Osaka Shinsaibashi	85%	82%	JPY14,308	JPY11,137
The United States				
W San Francisco	67%	62%	US\$385	US\$363
Sofitel New York	48%	81%	US\$378	US\$337
Canada				
The Sheraton Ottawa Hotel*	N/A	60%	N/A	CAD195
Delta Hotels by Marriott Toronto Airport & Conference Centre	68%	71%	CAD183	CAD185

* Sheraton Ottawa Hotel was disposed of on 29 February 2024, with figures reported up to that date.

In the first half of 2025, the Group's hospitality operations delivered broadly stable results, with solid performances in select markets. They are still however subject to persistent macroeconomic and operational challenges. The sector continued to confront significant headwinds, including geopolitical tensions, rising protectionism, and elevated operating costs. Political instability and regional conflicts weakened global travel sentiment; while tariffs, particularly in North America, further dampened cross-border demand. Meanwhile, corporate and leisure transient travel continued to recover, supported by strong growth in Japan and Vietnam. However, this momentum was not uniform across all markets, as China's performance remained subdued amid economic headwinds and intensified competition, while the U.S. segment was temporarily impacted by reduced room inventory from ongoing renovations. Renovation programmes in China, Vietnam, and the United States were undertaken to enhance product quality and competitiveness, with those in Vietnam and the U.S. temporarily reducing available capacity during the renovation period. Despite these pressures, the Group's hotels remained resilient, positioning for gradual recovery, though profitability in several cities will remain constrained.

During the first half of 2025, total revenue from hotel operations declined slightly to HK\$719.2 million, down from HK\$758.4 million in the same period of 2024. The decline was mainly driven by the U.S. segment, which was affected by a temporary reduction in room inventory due to ongoing renovations. The variance also reflected the absence of revenue from a hotel disposed of in 2024, which had contributed HK\$10.5 million in the prior period. Profit for hotel operations amounted to HK\$20.5 million for the six months ended 30 June 2025, compared to HK\$148.6 million for the first six months of 2024, which had included a one-off gain of HK\$156.2 million from the disposal of the Canadian hotel asset.

The People's Republic of China

In the first half of 2025, China's economy grew by 5.3% year-on-year, driven by robust industrial output, resilient exports as well as imports, and targeted government investment. However, this broader economic expansion has yet to deliver a significant rebound in the hospitality sector. Despite stable domestic travel volumes, the sector continued to face headwinds from oversupply, intensified price competition, and subdued consumer sentiment. Both business and leisure travel demand remain soft, with corporate caution and government austerity measures dampening spending on accommodation and events, particularly affecting mid-to high-end hotels. The rapid expansion of hotel supply, especially in urban centres and tier-two cities such as Wuhan, continued to outpace demand growth, prompting many hotels to adopt deeper discounts and more flexible booking terms, while these measures supported occupancy, they exerted further pressure on room rates and overall profitability. Consequently, despite headline GDP growth, the near-term outlook for the hospitality sector remains cautious, with earnings under strain. Given these market conditions, the Group undertook renovations to its hotel property in China to enhance quality and strengthen competitiveness, positioning it to better capture future demand.

Holiday Inn Wuhan Riverside (Group's interest: 41.26%)

Room revenue of the hotel slightly decreased to RMB9.5 million as compared to RMB10 million in the first half of 2024, a reduction of 6%. Food and beverage revenue has also decreased to RMB4.1 million in the first half of 2025 from RMB4.6 million in the first half of 2024, a reduction of 11%.

In the first half of 2025, the average occupancy rate was 44.3%, as compared to 45.1% in the same period of 2024. On an available-room basis, effective occupancy was approximately 47.2%, representing a slight improvement over last year. Average room rate has decreased to RMB378.8 per room night during the first half of 2025, as compared to RMB401.6 per room night during the first half of 2024.

Vietnam

Vietnam's economy expanded strongly in the first half of 2025, with its GDP achieving 7.52% year-on-year growth, the fastest first-half expansion in 15 years. This was driven by robust performances in services, industry, construction, and agriculture. This broad-based economic resilience supported a robust rebound in the hospitality sector, with nearly 10.7 million international arrivals, up 21% year-on-year and exceeding pre-pandemic 2019 levels by 26%. This was fueled by expanded international flight connectivity, a more relaxed visa policy, and targeted tourism promotion. Record-breaking international arrivals and high occupancy levels underscored the surge in both domestic and inbound travel, positioning Vietnam as a standout performer in the region. Domestic tourism remained resilient despite ongoing inflationary pressures and geopolitical uncertainties, including the Russia-Ukraine conflict and instability in the Middle East, that continued to present headwinds. Meanwhile, the earlier depreciation of the Vietnamese dong has stabilised, mitigating foreign exchange impacts on financial results and improving the Group's currency conversion outlook. Looking ahead, the hospitality outlook in Vietnam remains favorable, underpinned by sustained economic momentum and travel demand, although external challenges could influence its growth trajectory.

In the first half of 2025, both Sheraton Saigon Grand Opera Hotel and Caravelle Hotel were recognised for their exceptional service and hospitality standards. Sheraton Saigon Grand Opera Hotel and Caravelle Hotel both received TripAdvisor's Travelers' Choice Award, with Sheraton Saigon Grand Opera Hotel also once again nominated for Vietnam's Leading Hotel by the World Travel Awards. These accolades reinforce the strong brand reputation and market positioning of both properties as leading premium hotels in Vietnam.

Sheraton Saigon Grand Opera Hotel (Group's interest: 64.12%)
(formerly known as Sheraton Saigon Hotel & Tower)

For the first half of 2025, occupancy rate has decreased to 67.3%, as compared to 78.1% for the first half of 2024, primarily due to reduced room inventory during ongoing renovations. On an available-rooms basis, effective occupancy reached approximately 85.5%, exceeding last year's level. Average room rate was at US\$190.3 per room night during the first half of 2025, as compared to US\$177.7 per room night during the first six months of 2024.

Caravelle Hotel (Group's interest: 24.99%)

For the first half of 2025, occupancy rate has slightly increased to 73.5%, as compared to 72.7% for the first half of 2024. Average room rate was at US\$164.2 per room night during the first half of 2025, as compared to US\$152.0 per room night during the first six months of 2024.

Japan

In the first half of 2025, Japan's economy showed minimal growth, highlighting a fragile recovery amid persistent external headwinds. Rising U.S. tariffs weighed on exports, while cautious business investment and inflation-constrained consumer spending tempered growth momentum. The unemployment rate remained steady at around 2.5%, indicating resilience in labor market conditions despite the broader economic slowdown.

Tourism remained a key driver in the first half of 2025. The Osaka Expo 2025, held from mid-April to October, is providing a significant boost to visitor arrivals and spending. The event has generated strong accommodation demand in Osaka and neighboring regions, where limited hotel supply supported higher occupancy and room rates. In the first half of 2025, Japan welcomed approximately 4.7 million visitors from Mainland China, the highest-spending group among all foreign tourists. This represented a 53.5% year-on-year increase, supported by lower airfares, expanded flight connections, and the attraction of the Expo. These factors collectively underpinned robust revenue growth in Japan's hospitality market, particularly in Osaka. Looking ahead, sustaining this momentum will depend on a broader recovery in both leisure and business travel beyond the Expo period, while managing risks from trade tensions and a stronger yen.

Best Western Hotel Fino Osaka Shinsaibashi (Group's interest: 100%)

For the first half of 2025, occupancy rate for the hotel has increased to 85.3%, as compared to 81.8% for the first half of 2024. Average room rate was at JPY14,308 per room night during the first half of 2025, as compared to JPY11,137 per room night for the first half of 2024.

The United States ("U.S.")

In the first half of 2025, the U.S. economy posted modest growth amid persistent challenges. After a 0.5% contraction in the first quarter, GDP rebounded at an estimated annualised rate of 3.0% in the second quarter, supported by reduced imports and firmer consumer spending. Overall growth averaged about 1.25%, down from nearly 3% in each of the past two years, as cautious business investment, inflationary pressures, and tariff uncertainties tempered momentum. Consumer spending rose at its slowest pace since the pandemic, while the labor market remained resilient, with unemployment steady at approximately 4.1% to 4.2% despite a slight decline in labor force participation. Looking ahead, economic momentum is expected to moderate in the second half of the year as households face higher imported prices and businesses navigate policy uncertainties under the Trump administration.

The U.S. hospitality sector experienced an uneven recovery, with marked regional disparities. Leisure travel softened as more domestic travellers chose overseas destinations and short-term rentals, while corporate travel improved gradually but remained constrained by low office utilisation. Elevated operating costs, particularly labour, and high interest rates continued to weigh on profitability.

San Francisco's hotel market strengthened as from 2024, supported by a rebound in business travel and event-related demand. Initiatives by the city's new mayor to improve cleanliness and safety facilitated the return of major events and exhibitions, while limited new hotel supply helped maintain the market's fundamental strength. Although international arrivals were constrained by geopolitical and visa challenges, robust domestic demand and event-led travel continued to underpin operating fundamentals.

In contrast, New York City's tourism sector faced a more challenging environment. While domestic visitation posted modest gains, international arrivals declined significantly, driven by reduced travel from key markets such as Canada, the United Kingdom, and Germany, amid trade tension, a less favourable perceptions of the U.S., and weaker travel sentiment. The drop in high-spending overseas visitors had a pronounced impact on the high-end and luxury segment, while elevated operating costs added further pressure. Performance at the Group's New York property was also affected by ongoing renovations, which temporarily reduced room inventory.

Looking ahead, the sector's recovery will depend on easing inflationary pressures, resolution of geopolitical risks, and mitigation of the impacts of elevated interest rates and operating costs.

Sofitel New York and W San Francisco remained distinguished in 2025, both earning the TripAdvisor Travelers' Choice Award, and Sofitel New York further retained the Forbes Travel Guide Recommended Award for 2025, underscoring their sustained service excellence and strong market positioning.

W San Francisco (Group's interest: 100%)

For the first half of 2025, occupancy rate was 66.7%, as compared to 61.7% for the first half of 2024. Average room rate was at US\$385.3 per room night during the first half of 2025, as compared to US\$362.9 per room night during the first half of 2024.

Sofitel New York (Group's interest: 100%)

For the first half of 2025, Sofitel New York's occupancy rate was 47.6%, as compared to 80.9% for the first half of 2024. This is mainly due to the ongoing renovation program, which temporarily reduced the number of available rooms. On an available-room basis, effective occupancy was approximately 88.6%, representing a year-on-year increase. Average room rate was at US\$378.1 per room night during the first half of 2025, as compared to US\$337.1 per room night during the first half of 2024.

Canada

Canada's economy recorded moderate growth in the first half of 2025, with GDP rising by 0.5% in the first quarter but slowing to 0.1% in the second quarter. The escalation of U.S. tariffs on Canadian imports from 25% to 35% during the year intensified cost pressures, disrupted supply chains, and increased prices for businesses and consumers. Together with persistent inflation and geopolitical uncertainties, these factors are expected to dampen investment and household spending, putting further downward pressure on GDP growth in the second half of 2025. The labour market also showed signs of softening, with the unemployment rate rising to 6.9% in June 2025 from 6.7% in December 2024, reflecting the combined impact of tariff pressures and uncertainty over U.S. economic policy.

Canada's hospitality industry recorded steady recovery in the first half of 2025, underpinned by resilient domestic demand and a rebound in international arrivals. However, the Group's hotel operations were impacted by turbulence from the tariff wars and broader economic uncertainties. Persistent inflation, tariff-related cost pressures, and cautious consumer spending are expected to temper growth in the second half, with the sector's outlook hinging on the easing of trade tensions and improved stability in the global economic environment.

Delta Hotels by Marriott Toronto Airport & Conference Centre (Group's interest: 25%)

For the first half of 2025, occupancy rate has slightly decreased to 68.4%, as compared to 71.1% for the first half of 2024. Average room rate has slightly decreased to C\$182.9 per room night during the first half of 2025, as compared to C\$184.5 per room night during the first six months of 2024.

Other net gains/(losses)

Other net gains amounted to HK\$16.1 million for the first half of 2025, compared to other net losses of HK\$29.4 million in the same period of 2024, which had included a loss of HK\$18.1 million from the release of exchange reserve upon cessation of a subsidiary's business. Net exchange gains of HK\$28.1 million were recorded in the period, compared to net exchange losses of HK\$5.6 million in the prior year.

The Group also recognised net unrealised losses of HK\$4.0 million on other non-current financial assets, compared to HK\$1.4 million in the first half of 2024.

LIQUIDITY AND FINANCIAL RESOURCES

The overall financial position of the Group remains healthy. We have a strong balance sheet and sufficient liquidity in place, with cash, bank balances and short-term bank deposits totalling HK\$1,335.5 million as at 30 June 2025 (31 December 2024: HK\$1,523.7 million). The Group also has undrawn facility from the bank loans facility agreement amounting to HK\$85.0 million as at 30 June 2025 (31 December 2024: HK\$85.0 million). The Group's total liabilities as a percentage of total assets was 33.5% as at 30 June 2025, compared to 33.0% as at 31 December 2024.

PLEDGE OF ASSETS

As at 30 June 2025, hotel properties including land with an aggregate value of HK\$2,238.4 million (31 December 2024: HK\$2,120.7 million) were pledged to bank to secure bank loans borrowed by the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favor of the Macau SAR Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2024: HK\$8,252,000).

As at 30 June 2025, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

PROSPECTS

Entering the second half of 2025, the global economic outlook remains uncertain, with momentum of recovery uneven across regions and shaped by persistent trade and geopolitical risks and events. Earlier resilience, partly supported by tariff front-loading and fiscal expansion, is giving way to a slowdown as these temporary supports dissipate. Persistent trade tensions and tariff escalations, not only between the U.S. and Canada but also involving other major economies, continue to weigh on business confidence and disrupt global supply chains and international trade flows. While inflationary pressures and energy price volatility have eased in advanced economies, protectionist measures and elevated uncertainty are restraining a stronger recovery. China's growth is supported by external demand and targeted policy measures but is constrained by weak domestic consumption and ongoing structural headwinds. In the United States, slower economic activity, persistent inflation, and policy uncertainty are expected to weigh on global demand and heighten financial market volatility. The combined moderation in these two major economies is likely to limit global growth prospects. The overall operating environment in the second half of 2025 remains challenging, with the outlook depending on the effectiveness of coordinated global policy actions to restore confidence and mitigate downside risks.

Macau's property sector in the second half of 2025 is expected to remain stable, supported by government initiatives and selective corporate demand. Retail activity is benefiting from large-scale consumption campaigns, financing support for SMEs spearheaded by the government, and tourism-linked promotions, although recovery remains constrained by increased cross-border consumer spending. Residential rents are underpinned by limited new luxury supply and tourism-driven demand, despite rising vacancies in some areas. The office market, after rent declines and higher vacancies following the relocation of government departments into government-owned premises, is showing signs of stabilisation, with demand concentrated among corporate tenants in well-managed, well-located properties. However, the leasing market may face occupancy pressures if China's economic slowdown persists. The Group remains focused on maximising rental income by maintaining high occupancy and retaining quality tenants through competitive leasing strategies, with its premier residential portfolio continuing to generate stable returns.

The global hospitality sector is anticipated to see gradual recovery in the second half of 2025, though conditions remain mixed amid uneven economic performance, cost pressures, and geopolitical uncertainties. Some markets are supported by a measured rebound in business activity and tourism, while others continue to face challenges from oversupply, heightened competition, and subdued consumer sentiment. The high-end segment remains affected by the slower recovery of international arrivals. Overall operating conditions are expected to remain challenging, with performance hinging on economic stabilisation and the revival of both leisure and corporate travel. Despite these headwinds, the hospitality sector's outlook is one of cautious optimism as global market conditions show signs of improvement. The Group remains committed to enhancing operational efficiency and embarking on hotel renovation programmes to strengthen competitiveness and support long-term profitability amid ongoing market uncertainties.

The Group continues to maintain a robust financial position with HK\$1,336 million in cash, bank balances, and short-term bank deposits as of 30 June 2025. We will continue to seek potential investments that deliver sustainable long-term value for shareholders, adopting a disciplined and pragmatic approach focused on industries and regions where we possess proven expertise and comparative advantages.

PERSONNEL AND RETIREMENT SCHEMES

As at 30 June 2025, the Group had approximately 1,788 employees. A policy of localising as many of the positions as possible is in place throughout the Group, subject to suitable and sufficient local executives and staff with relevant qualifications and experiences being available. Salary and remuneration are competitive and are based on varying conditions in the different countries in which the Company and its subsidiaries operate. The Group has defined contribution schemes in Hong Kong, Macau, the People's Republic of China, Vietnam, the United States, Canada and Japan.

Mandate in relation to the Renovation contracts for Sofitel New York

References are made to the announcement and the circular of the Company dated 21 February 2025 and in relation to proposed mandate in relation to the renovation contracts for hotel. The Company is pleased to provide an update on the progress of the renovation works at Sofitel New York, pursuant to the Mandate granted by its shareholders. As part of its commitment to transparency, the Company discloses below the latest status of the Further Renovation Contracts, including details on major contractors, payment terms, and the current progress of each category of renovation work. This disclosure aligns with the Company's undertaking to monitor and report on the renovation in its interim and annual reports, as well as the annual review by the Independent Non-executive Directors to ensure compliance with the Mandate terms.

Category of renovation work	Budget for such category of renovation work	Amount contracted for as of 30 June 2025	Movements between 17 February 2025 and 30 June 2025	Remaining amount under the Proposed Mandate	Level of completion of such category of renovation work as of 30 June 2025
Professional fees for the design, architectural and engineering services	US\$3,300,000	US\$2,892,296	US\$84,885	US\$407,704	79%
Construction of mock-up rooms	US\$1,000,000	US\$1,023,694	Nil	Nil	100%
General construction works including furniture, fixtures, and equipment	US\$43,400,000	US\$33,807,991	US\$5,210,595	US\$9,592,009	60%
Allowance for building repairs	US\$3,000,000	US\$1,910,825	(US\$50,000)	US\$1,089,175	45%
Allowance for the permits and special inspections issued or conducted by New York City Department of Buildings	US\$100,000	US\$130,703	US\$44,993	Nil	80%
Operating supplies and equipment for guestrooms, suites, meeting event space, public space, gym, restaurant and bar, and IT upgrades	US\$4,800,000	US\$2,434,074	US\$1,245,227	US\$2,365,926	35%
Contingency fees	US\$6,000,000	US\$54,397*	US\$30,703	US\$5,945,603	Not applicable
Total	US\$61,600,000	US\$42,199,583	US\$6,535,700	US\$19,400,417	

* The amount of US\$54,397 which exceeded the budget was recognised as contingency fees.

i) *Disclosure of the identities of major contractors, consideration and payment terms for transactions amount of US\$3.5m and above (subsequent to 17 February 2025 and up to 30 June 2025)*

Name of Contractor/Supplier	Category of renovation work	Contract/ PO Value	Payment Terms
Hunter Roberts Construction Group LLC ("Hunter Roberts")	General construction works including furniture, fixtures, and equipment	US\$4,910,940	The contract sum shall be paid by progress payments based on the amount of services performed and upon the periodic submission of payment application made by Hunter Roberts

Hunter Roberts is a company with principal place of business in New York, the United States. It is principally engaged in the provision of construction management services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hunter Roberts and its ultimate beneficial owner(s) are Independent Third Parties.

ii) *Disclosure of the number of contractors, the corresponding range of the transaction amount and payment terms for transactions with transaction amount of less than US\$3.5m (subsequent to 17 February 2025 and up to 30 June 2025)*

Payment terms	No. of Contractors	Range of the transaction amount
100% upon Completion	6	US\$2,000 to US\$44,993
50% Upfront, 50% Upon Completion	10	US\$0 to US\$387,735
Progress Billings	4	US\$32,935 to US\$558,850

The Company remains on track to complete the renovation within the stipulated timelines and budgets. Further updates will be provided in subsequent reports as the project advances.

CORPORATE GOVERNANCE

The Board has committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has complied with the principles and code provisions (the “Code Provisions”) as set out in the CG Code during the period from 1 January to 30 June 2025, save and except for the deviation as explained below.

- Code Provision C.2.1, as the roles of chairman and chief executive officer of the Company are not separated.

Pursuant to Code Provision C.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company has not appointed a chief executive officer, since day-to-day operations of the Group were undertaken by the management teams in the respective geographical locations under the supervision of the Executive Directors. In respect of the management of the Board, the role was undertaken by Mr. HO Kian Guan, the Executive Chairman of the Company. The Board is of the view that this structure has served the Company well in past years and does not impair the balance of responsibility between the Board and the management of the business.

SECURITIES TRANSACTIONS BY DIRECTORS

The Board of the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiries of all Directors who have confirmed compliance with the required standards set out in the Model Code during the period under review.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee presently comprises four Independent Non-executive Directors. The Audit and Compliance Committee meets with the Group’s senior management and internal auditors regularly to review the effectiveness of the internal control system and the interim and annual reports, including the Group’s unaudited consolidated financial statements for the six months ended 30 June 2025. In compliance with the Listing Rules, an Independent Non-executive Director currently chairs the Audit and Compliance Committee.

REMUNERATION COMMITTEE

The Remuneration Committee comprises five members, four of whom are Independent Non-executive Directors. The Committee reviews matters relating to the remuneration for senior management and Directors of the Company. In compliance with the Listing Rules, an Independent Non-executive Director currently chairs the Remuneration Committee.

NOMINATION COMMITTEE

The Nomination Committee comprises five members, four of whom are Independent Non-executive Directors. The Committee gives recommendations to the Board as to the recruitment of Directors. An Independent Non-executive Director currently chairs the Nomination Committee.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises four members, three of whom are Independent Non-executive Directors. The Committee is responsible for assisting the Board to oversee the effectiveness of the Group's risk management system and framework, to review and develop risk management policy, manual and guideline, and to advise the Board on the appropriateness and effectiveness of risk controls/mitigation tools and risk management functions. An Independent Non-executive Director currently chairs the Risk Management Committee.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the 2025 Interim Dividend, the Company's register of members will be closed as set out below:

- Ex-dividend date Wednesday, 8 October 2025
- Latest time to lodge transfer documents for registration with the Company's share registrar and transfer office At 4:30 p.m. (*Hong Kong time*) on Thursday, 9 October 2025
- Closure of Register of Members Friday, 10 October 2025 to Tuesday, 14 October 2025, *both days inclusive*
- Record date Tuesday, 14 October 2025

During the above closure period, no transfer of shares will be registered. To qualify for the 2025 Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than the aforementioned latest time.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2025.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

As at 30 June 2025, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

The Directors of the Company who held office as at 30 June 2025 had the following interests in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") at that date 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:

Number of ordinary shares (unless otherwise specified)

Long Positions:

Name of Company	Name of Directors	Personal Interests ⁽¹⁾	Corporate/ Other Interests	Total	% Interest
Keck Seng Investments (Hong Kong) Limited	HO Kian Guan	496,480	198,084,320 ⁽²⁾	198,580,800	58.37
	HO Kian Hock	20,480	198,084,320 ⁽²⁾	198,104,800	58.23
	HO Kian Cheong	55,160,480	–	55,160,480	16.21
	TSE See Fan Paul	288,720	–	288,720	0.08
	Stephen TAN	–	900,000 ⁽³⁾	900,000	0.26
Lam Ho Investments Pte Ltd	HO Kian Guan	–	32,410,774 ⁽⁴⁾	32,410,774	99.70
	HO Kian Hock	–	32,410,774 ⁽⁴⁾	32,410,774	99.70
	HO Kian Cheong	96,525	–	96,525	0.30
Shun Seng International Limited	HO Kian Guan	–	83,052 ⁽⁵⁾	83,052	83.05
	HO Kian Hock	–	83,052 ⁽⁵⁾	83,052	83.05
	HO Kian Cheong	1,948	–	1,948	1.95
Hubei Qing Chuan Hotel Company Limited – paid in registered capital in US\$	HO Kian Guan	–	13,163,880 ⁽⁶⁾	13,163,880	80.76
	HO Kian Hock	–	13,163,880 ⁽⁶⁾	13,163,880	80.76
	HO Kian Cheong	1,017,120	–	1,017,120	6.24
	KWOK Chi Shun Arthur	–	489,000 ⁽⁷⁾	489,000	3.00
Golden Crown Development Limited – common shares	HO Kian Guan	–	56,675,000 ⁽⁸⁾	56,675,000	80.96
	HO Kian Hock	–	56,675,000 ⁽⁸⁾	56,675,000	80.96
	HO Kian Cheong	1,755,000	–	1,755,000	2.51
	TSE See Fan Paul	50,000	–	50,000	0.07
Ocean Gardens Management Company Limited	HO Kian Guan	–	1,000,000 ⁽⁹⁾	1,000,000	100.00
	HO Kian Hock	–	1,000,000 ⁽⁹⁾	1,000,000	100.00
Shun Cheong International Limited	HO Kian Guan	–	4,305 ⁽¹⁰⁾	4,305	43.05
	HO Kian Hock	–	4,305 ⁽¹⁰⁾	4,305	43.05
	HO Kian Cheong	195	–	195	1.95
	KWOK Chi Shun Arthur	–	5,500 ⁽¹¹⁾	5,500	55.00
KSF Enterprises Sdn Bhd – ordinary shares	HO Kian Guan	–	31,705,000 ⁽¹²⁾	31,705,000	100.00
	HO Kian Hock	–	31,705,000 ⁽¹²⁾	31,705,000	100.00
KSF Enterprises Sdn Bhd – redeemable convertible preference shares	HO Kian Guan	–	24,000,000 ⁽¹³⁾	24,000,000	100.00
	HO Kian Hock	–	24,000,000 ⁽¹³⁾	24,000,000	100.00
Chateau Ottawa Hotel Inc. – common shares	HO Kian Guan	–	9,000,000 ⁽¹⁴⁾	9,000,000	100.00
	HO Kian Hock	–	9,000,000 ⁽¹⁴⁾	9,000,000	100.00

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES *(continued)*

Notes:

- (1) This represents interests held by the relevant Directors as beneficial owners.
- (2) This represents 101,437,360 shares held by Kansas Holdings Limited and 96,646,960 shares held by Goodland Limited. Both companies are subsidiaries of KS Ocean Inc., the controlling shareholder of the Company, in which each of HO Kian Guan and HO Kian Hock had 1/3 interest in its ordinary share and preference share, respectively.
- (3) This represents 180,000 shares held by Stephen Tan as one of the joint executors/administrators of the estate of Chan Yau Hing, Robin and 720,000 shares held by United Asia Enterprises Inc. which is controlled corporation of Stephen Tan.
- (4) This represents 29,776,951 shares (91.60%) indirectly held by the Company and 2,633,823 shares (8.10%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (5) This represents 75,010 shares (75.01%) indirectly held by the Company and 8,042 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (6) This represents US\$8,965,000 (55.00%) indirectly contributed by the Company and US\$4,198,880 (25.76%) contributed by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (7) This represents interests held by AKAA Project Management International Limited which was wholly owned by KWOK Chi Shun Arthur.
- (8) This represents 49,430,000 shares (70.61%) indirectly held by the Company and 7,245,000 shares (10.35%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (9) This represents 1 quota of Ptc999,000 (99.90%) indirectly held by the Company and 1 quota of Ptc1,000 (0.10%) held by Goodland Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (10) This represents 3,501 shares (35.01%) indirectly held by the Company and 804 shares (8.04%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.
- (11) This represents interests held by Ample Star Enterprise Limited in which KWOK Chi Shun Arthur had a controlling interest.
- (12) This represents 7,926,250 ordinary shares (25.00%) directly held by the Company, 7,926,249 ordinary shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 15,852,501 ordinary shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (13) This represents 6,000,000 redeemable convertible preference shares (25.00%) directly held by the Company, 6,000,000 redeemable convertible preference shares (25.00%) held by Kansas Holdings Limited in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly and 12,000,000 redeemable convertible preference shares (50.00%) held by Keck Seng (Malaysia) Berhad in which each of HO Kian Guan and HO Kian Hock was a substantial shareholder and a director.
- (14) This represents 7,650,000 common shares (85.00%) indirectly held by the Company; 1,350,000 common shares (15.00%) held by KSC Enterprises Ltd. in which each of HO Kian Guan and HO Kian Hock had 1/3 interest indirectly.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES *(continued)*

Save as mentioned above, as at 30 June 2025, none of the Directors of the Company or any of their associates had interests or short positions in the shares, underlying shares or debentures of the Company or any of its Associated Corporations, 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 INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2025, the interests and short positions of those persons (other than the Directors) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions:

Name	Capacity in which shares were held	Number of ordinary shares held	% of total issued share capital of the Company
KS Ocean Inc. (Note 1, 2)	Interests of controlled corporations	198,084,320	58.23
Pad Inc. (Note 1)	Interests of controlled corporations	96,646,960	28.41
Lapford Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 1)	Interests of controlled corporations	96,646,960	28.41
Kansas Holdings Limited (Note 2)	Beneficial owner	101,437,360	29.82
Goodland Limited (Note 1)	Beneficial owner	96,646,960	28.41

Notes:

- (1) KS Ocean Inc., Pad Inc., Lapford Limited and Kansas Holdings Limited had deemed interests in the same 96,646,960 shares beneficially held by Goodland Limited.
- (2) KS Ocean Inc. had deemed interests in the same 101,437,360 shares beneficially held by Kansas Holdings Limited.

Save as mentioned above, as at 30 June 2025, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

HO Kian Guan
Executive Chairman

Hong Kong, 26 August 2025



REVIEW REPORT TO THE BOARD OF DIRECTORS OF KECK SENG INVESTMENTS (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 20 to 48 which comprises the consolidated statement of financial position of Keck Seng Investments (Hong Kong) Limited (the “Company”) as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

26 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the six months ended 30 June 2025 – unaudited*

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Revenue	3	772,570	808,981
Cost of sales		(76,750)	(74,009)
		695,820	734,972
Other revenue	4(a)	39,002	46,907
Other net gains/(losses)	4(b)	16,143	(29,399)
Gains on disposal of the Hotel Assets	16	–	156,237
Direct costs and operating expenses		(343,496)	(349,513)
Marketing and selling expenses		(25,635)	(21,237)
Depreciation		(50,235)	(60,193)
Administrative and other operating expenses		(213,337)	(227,333)
Operating profit		118,262	250,441
Decrease in fair value of investment properties	8	(31,900)	(41,000)
		86,362	209,441
Finance costs	5(a)	(35,474)	(47,647)
Share of profits of associates		23,352	15,998
Profit before taxation	5	74,240	177,792
Income tax	6	(25,181)	(40,153)
Profit for the period		49,059	137,639
Attributable to:			
Equity shareholders of the Company		11,018	87,330
Non-controlling interests		38,041	50,309
Profit for the period		49,059	137,639
Earnings per share, basic and diluted (cents)	7	3.2	25.7

Details of dividends payable to equity shareholders of the Company are set out in note 15(a).

The notes on pages 27 to 48 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Profit for the period	49,059	137,639
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	63	(291)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries and associates	19,459	(33,854)
– release of exchange reserve upon cessation of a subsidiary's business	–	18,114
Other comprehensive income for the period	19,522	(16,031)
Total comprehensive income for the period	68,581	121,608
Attributable to:		
Equity shareholders of the Company	33,951	73,832
Non-controlling interests	34,630	47,776
Total comprehensive income for the period	68,581	121,608

There is no tax effect relating to the above components of other comprehensive income.

The notes on pages 27 to 48 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*at 30 June 2025 – unaudited*

	Note	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current assets			
Investment properties	8	794,300	826,200
Property, plant and equipment	8	1,727,470	1,610,127
Land		775,280	765,623
		3,297,050	3,201,950
Interest in associates		111,974	96,823
Other non-current financial assets	9	140,657	126,513
Deferred tax assets		430,155	423,556
		3,979,836	3,848,842
Current assets			
Trading securities		8,855	8,811
Properties held for sale		278,873	278,873
Inventories		3,424	3,780
Trade and other receivables	10	78,669	88,576
Derivative financial assets		–	2,052
Deposits and cash	11	1,335,543	1,523,656
Taxation recoverable		46	419
		1,705,410	1,906,167
Current liabilities			
Bank loans	12	320,799	317,384
Trade and other payables	13	457,658	437,589
Loan from an associate		464	464
Loans from non-controlling shareholders	14	36,197	77,397
Taxation payable		27,787	57,659
		842,905	890,493
Net current assets		862,505	1,015,674
Total assets less current liabilities		4,842,341	4,864,516

		At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current liabilities			
Bank loans	12	829,350	888,949
Deferred revenue		86,392	2,395
Loans from non-controlling shareholders	14	67,869	34,890
Deferred tax liabilities		78,466	82,294
		1,062,077	1,008,528
NET ASSETS			
		3,780,264	3,855,988
CAPITAL AND RESERVES			
	15		
Share capital		498,305	498,305
Reserves		2,818,963	2,808,826
Total equity attributable to equity shareholders of the Company		3,317,268	3,307,131
Non-controlling interests		462,996	548,857
TOTAL EQUITY		3,780,264	3,855,988

The notes on pages 27 to 48 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*for the six months ended 30 June 2025 – unaudited*

	Attributable to equity shareholders of the Company							Total HK\$'000
	Share capital HK\$'000	Legal reserve HK\$'000	Exchange reserve HK\$'000	Fair value reserve (non- recycling) HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	
Balance at 1 January 2025	498,305	19,511	(55,014)	2,818	2,841,511	3,307,131	548,857	3,855,988
Profit for the period	-	-	-	-	11,018	11,018	38,041	49,059
Other comprehensive income	-	-	22,870	63	-	22,933	(3,411)	19,522
Total comprehensive income for the period	-	-	22,870	63	11,018	33,951	34,630	68,581
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	13,283	13,283
Dividends approved in respect of the previous year (note 15(a)(iii))	-	-	-	-	(23,814)	(23,814)	-	(23,814)
Dividends declared by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(133,774)	(133,774)
Balance at 30 June 2025	498,305	19,511	(32,144)	2,881	2,828,715	3,317,268	462,996	3,780,264
Balance at 1 January 2024	498,305	19,511	(32,083)	2,751	2,629,896	3,118,380	621,418	3,739,798
Profit for the period	-	-	-	-	87,330	87,330	50,309	137,639
Other comprehensive income	-	-	(13,207)	(291)	-	(13,498)	(2,533)	(16,031)
Total comprehensive income for the period	-	-	(13,207)	(291)	87,330	73,832	47,776	121,608
Dividends approved in respect of the previous year (note 15(a)(iii))	-	-	-	-	(27,216)	(27,216)	-	(27,216)
Dividends paid by the subsidiaries to non-controlling shareholders	-	-	-	-	-	-	(80,446)	(80,446)
Balance at 30 June 2024	498,305	19,511	(45,290)	2,460	2,690,010	3,164,996	588,748	3,753,744

The notes on pages 27 to 48 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*for the six months ended 30 June 2025 – unaudited*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Operating activities		
Cash generated from operations	172,349	83,246
Overseas tax paid	(60,920)	(28,945)
Net cash generated from operating activities	111,429	54,301
Investing activities		
Decrease/(increase) in bank deposits with original maturity more than three months	282,045	(67,740)
Interest received	33,679	40,282
Dividends received from listed securities	369	397
Dividends received from associates	11,695	12,651
Payment for the purchase of property, plant and equipment	(120,120)	(19,338)
Proceeds from the disposal of property, plant and equipment	366	329
Proceeds from the disposal of assets classified as held for sale	–	246,404
Loan advance to a non-controlling shareholder	–	(30,642)
Net cash generated from investing activities	208,034	182,343
Financing activities		
Proceeds from new bank loan	13,057	–
Repayment of bank loans	(81,328)	(159,493)
Repayment of loan from non-controlling shareholder	–	(4,056)
Interest paid	(33,361)	(47,167)
Dividends paid to equity shareholders of the Company	(23,814)	(27,216)
Dividends paid to non-controlling shareholders	(114,130)	(80,446)
Net cash used in financing activities	(239,576)	(318,378)

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Increase/(decrease) in cash and cash equivalents		79,887	(81,734)
Cash and cash equivalents at 1 January		959,685	1,275,382
Effect of foreign exchange rate changes		14,045	(8,272)
Cash and cash equivalents at 30 June	11	1,053,617	1,185,376

The notes on pages 27 to 48 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 26 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 19. In addition, this interim financial report has been reviewed by the Company’s Audit and Compliance Committee.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

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

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

2 Changes in accounting policies

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical locations. The Group has identified the following three reportable segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment.

- (i) Hotel segment is primarily engaged in the businesses of hotel room accommodation, provision of food and beverage at hotel restaurant outlets and operation of slot machines at one of the Group's hotels.
- (ii) Property segment is primarily engaged in the businesses of leasing of the Group's investment properties, which mainly consist of retail, commercial and office properties in Macau and of development, sales and marketing of the Group's trading properties in Macau.
- (iii) Investment and corporate segment is primarily engaged in the businesses of management of the Group's corporate assets and liabilities, non-trading and trading securities, financial instruments and other treasury operations.

3 Revenue and segment reporting *(continued)*

(a) Revenue

Revenue represents income from hotel and club operations, rental income and the provision of management services. The amount of each significant category of revenue recognised in revenue during the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Hotel and club operations	722,234	761,300
Rental income	46,830	44,215
Management fee income	3,506	3,466
	772,570	808,981

(b) Segment results, assets and liabilities

Information regarding the Group's reportable segments is provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment assets principally comprise all tangible assets, other non-current assets and current assets directly attributable to each segment with the exception of interest in associates.

Segment liabilities include all trade and other payables attributable to the individual segments and other borrowings managed directly by the segments with the exception of bank borrowings.

3 Revenue and segment reporting (continued)

(c) Analysis of segment results of the Group

	Revenue HK\$'000	Depreciation HK\$'000	Gains on disposal of Hotel Assets HK\$'000	Decrease in fair value of investment properties HK\$'000	Finance costs HK\$'000	Share of profits/ (losses) of associates HK\$'000	Income tax (expense)/ credit HK\$'000	Contribution to profit/ (loss) HK\$'000
For the six months ended 30 June 2025								
Hotel	719,241	(49,516)	-	-	(34,290)	23,356	(19,247)	20,544
- Vietnam	341,037	(17,292)	-	-	-	18,141	(21,767)	100,584
- United States	340,755	(25,976)	-	-	(32,631)	-	2,119	(88,411)
- The People's Republic of China	16,910	(5,545)	-	-	(1,659)	-	-	(5,491)
- Canada	-	-	-	-	-	5,215	403	5,657
- Japan	20,539	(703)	-	-	-	-	(2)	8,205
Property								
- Macau	51,967	(670)	-	(31,900)	(185)	-	(1,037)	20,394
Investment and corporate	1,362	(49)	-	-	(999)	(4)	(4,897)	8,121
Total	772,570	(50,235)	-	(31,900)	(35,474)	23,352	(25,181)	49,059
For the six months ended 30 June 2024								
Hotel	758,366	(59,568)	156,237	-	(46,421)	15,998	(33,807)	148,601
- Vietnam	334,374	(21,042)	-	-	-	8,949	(20,567)	92,110
- United States	380,935	(31,768)	-	-	(44,526)	-	19,923	(53,934)
- The People's Republic of China	18,387	(5,482)	-	-	(1,808)	-	-	(6,155)
- Canada	10,466	-	156,237	-	(87)	7,049	(33,161)	112,030
- Japan	14,204	(1,276)	-	-	-	-	(2)	4,550
Property								
- Macau	49,184	(580)	-	(41,000)	(243)	-	1,280	3,165
Investment and corporate	1,431	(45)	-	-	(983)	-	(7,626)	(14,127)
Total	808,981	(60,193)	156,237	(41,000)	(47,647)	15,998	(40,153)	137,639

3 Revenue and segment reporting *(continued)*

(d) Analysis of total assets of the Group

	Segment assets HK\$'000	Interest in associates HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
At 30 June 2025				
Hotel				
– Vietnam	262,826	52,840	315,666	38,507
– United States	2,790,758	–	2,790,758	119,621
– The People's Republic of China	122,976	–	122,976	85
– Canada	5,443	54,980	60,423	–
– Japan	85,675	–	85,675	251
Property				
– Macau	1,843,191	–	1,843,191	443
Investment and corporate	462,403	4,154	466,557	56
Total	5,573,272	111,974	5,685,246	158,963
At 31 December 2024				
Hotel				
– Vietnam	329,563	46,395	375,958	19,601
– United States	2,681,201	–	2,681,201	120,333
– The People's Republic of China	123,109	–	123,109	14,196
– Canada	27,133	46,308	73,441	–
– Japan	69,882	–	69,882	625
Property				
– Macau	1,915,720	–	1,915,720	1,642
Investment and corporate	511,578	4,120	515,698	–
Total	5,658,186	96,823	5,755,009	156,397

Investment and corporate segment assets and liabilities mainly represent financial instruments, cash and bank deposits and borrowings which are managed centrally by the Group treasury function.

3 Revenue and segment reporting *(continued)***(e) Analysis of total liabilities of the Group**

	Segment liabilities HK\$'000	Bank borrowings HK\$'000	Total liabilities HK\$'000
At 30 June 2025			
Hotel			
– Vietnam	161,799	12,940	174,739
– United States	281,893	1,137,209	1,419,102
– The People's Republic of China	84,179	–	84,179
– Canada	231	–	231
– Japan	3,507	–	3,507
Property			
– Macau	163,768	–	163,768
Investment and corporate	59,456	–	59,456
Total	754,833	1,150,149	1,904,982
At 31 December 2024			
Hotel			
– Vietnam	167,701	–	167,701
– United States	179,993	1,206,333	1,386,326
– The People's Republic of China	92,876	–	92,876
– Canada	22,687	–	22,687
– Japan	2,952	–	2,952
Property			
– Macau	171,206	–	171,206
Investment and corporate	55,273	–	55,273
Total	692,688	1,206,333	1,899,021

4 Other revenue and other net gains/(losses)

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
(a) Other revenue		
Interest income	33,679	40,282
Dividend income from listed securities	369	397
Others	4,954	6,228
	39,002	46,907
(b) Other net gains/(losses)		
Net exchange gains/(losses)	28,102	(5,596)
Net realised and unrealised losses on derivative financial instruments	(2,060)	(2,429)
Net unrealised losses on other non-current financial assets (note 17)	(3,984)	(1,426)
Net unrealised gains/(losses) on trading securities	44	(1,665)
Loss on disposal of property, plant and equipment	(6,298)	(165)
Loss on release of exchange reserve upon cessation of a subsidiary's business	–	(18,114)
Others	339	(4)
	16,143	(29,399)

5 Profit before taxation

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<hr/>		
(a) Finance costs		
Bank loan interests	32,631	44,526
Discounting effect on loans from non-controlling shareholders	2,658	2,754
Others	185	367
	<hr/>	<hr/>
	35,474	47,647
	<hr/>	<hr/>
(b) Staff costs		
Salaries, wages and other benefits	304,885	301,020
Contributions to defined contribution retirement plans	18,686	17,780
	<hr/>	<hr/>
	323,571	318,800
	<hr/>	<hr/>
(c) Other items		
Cost of inventories	28,360	30,516
Rental income from properties less direct outgoings of HK\$1,472,000 (2024: HK\$1,673,000)	(45,358)	(42,542)
	<hr/>	<hr/>

6 Income tax

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax – Overseas		
Provision for the period	31,612	54,595
(Over)/under-provision in respect of prior years	(485)	51
	31,127	54,646
Deferred taxation		
Origination and reversal of other temporary differences	(5,946)	(14,493)
	25,181	40,153

Notes:

- (a) No provision has been made for Hong Kong Profits Tax as the Company and all other entities comprising the Group that are incorporated in Hong Kong sustained a loss for taxation purposes or had unutilised tax loss to set-off against taxable income for the six months ended 30 June 2025 and 30 June 2024.
- (b) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (c) The applicable income tax rate for the subsidiary established in Vietnam before any incentives is 20% (2024: 20%) for the six months ended 30 June 2025.
- (d) The applicable PRC Enterprise Income Tax of the subsidiary established in the PRC is calculated at 25% (2024: 25%) of the estimated taxable profits for the period. No provision has been made for PRC Enterprise Income Tax as the subsidiary sustained a loss for taxation purposes for the six months ended 30 June 2025 and 30 June 2024.

6 Income tax (continued)

- (e) Pursuant to the income tax rules and regulations of the United States, the applicable Federal and State Income Tax in respect of the subsidiaries operating in the United States are calculated at a rate of 21% (2024: 21%) and 10.62% (2024: 10.69%) respectively determined by income ranges for the six months ended 30 June 2025. United States sourced interest income received by foreign entities are subject to withholding tax of 30% (2024: 30%) on all gross income received.
- (f) Under the Japanese domestic law, the subsidiary established in Japan under the Tokumei-Kumiai arrangement is subject to Japanese withholding tax at the rate of 21.36% (2024: 21.36%) on all gross profit distributions from the subsidiary.
- (g) Provision for Macau Complementary Tax is calculated at 12% (2024: 12%) of the estimated assessable profits for the six months ended 30 June 2025. Macau Property Tax is calculated at 8% (2024: 8%) of the assessable rental income in Macau.
- (h) Pursuant to the income tax rules and regulations of Canada, the applicable federal and provincial statutory tax rate is 26.5% (2024: 26.5%). The retained profits of the Canada subsidiary of the Group are subject to withholding tax at a rate of 5% upon the dividend distribution outside Canada.

7 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$11,018,000 (2024: HK\$87,330,000) and on the 340,200,000 ordinary shares in issue during the six months ended 30 June 2025 and 30 June 2024.

There is no potential dilutive ordinary share during the six months ended 30 June 2025 and 30 June 2024.

8 Investment properties and property, plant and equipment

- (a) The Group's investment properties were valued by Jones Lang LaSalle Limited, an independent firm of professional surveyors with the appropriate qualifications and experience in the location and category of property being valued, using the income capitalisation approach and with reference to sales evidence as available in the market.

The Group recorded a decrease in fair value of investment properties of HK\$31,900,000 (2024: HK\$41,000,000) in profit or loss for the six months ended 30 June 2025.

- (b) During the six months ended 30 June 2025, the Group incurred capital expenditures on property, plant and equipment, primarily for renovation works at Sofitel New York and Sheraton Saigon Grand Opera Hotel, amounting to HK\$158,963,000 (30 June 2024: HK\$19,338,000).

9 Other non-current financial assets

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Note		
Equity securities designated at FVOCI (non-recycling)		
– Listed outside Hong Kong	3,472	3,409
Financial assets measured at FVPL (i)		
– Unlisted securities	137,185	123,104
	140,657	126,513

Note:

- (i) At 30 June 2025, the Group owned 8.10% (31 December 2024: 8.10%) interest of A2I Holdings S.A.R.L.. A2I Holdings S.A.R.L. is a private limited liability company incorporated in Luxembourg which owns 6.52% (31 December 2024: 6.52%) equity shares of Essendi S.A. (formerly known as AccorInvest Group S.A.).

10 Trade and other receivables

Included in trade and other receivables are trade receivables (net of loss allowance) with the following ageing analysis (by invoice date) as of the end of the reporting period:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within one month	27,745	28,869
One to three months	1,458	3,175
More than three months	295	473
	29,498	32,517

Trade receivables mainly comprise rental receivables from lease of properties and hotel operations. The Group's credit risk is primarily attributable to trade and other receivables. The Group has a defined credit policy. The general credit terms allowed range from 0 – 30 days. Trade customers with balances that are more than three months overdue are requested to settle all outstanding balances before any further credit is granted.

11 Deposits and cash

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Deposits with banks and other financial institutions	1,127,099	1,315,317
Cash at bank and on hand	208,444	208,339
Deposits and cash in the consolidated statement of financial position	1,335,543	1,523,656
Less: Deposits with original maturity greater than three months	(281,926)	(563,971)
Cash and cash equivalents in the condensed consolidated cash flow statement	1,053,617	959,685

12 Bank loans

(a) At 30 June 2025 and 31 December 2024, the bank loans were repayable as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 1 year or on demand	320,799	317,384
After 1 year but within 2 years	816,410	888,949
After 2 years but within 5 years	12,940	–
	829,350	888,949
	1,150,149	1,206,333

At 30 June 2025 and 31 December 2024, the bank loans were secured and unsecured as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Bank loans		
– Secured (note 12(b))	1,130,415	1,196,287
– Unsecured	19,734	10,046
	1,150,149	1,206,333

At 30 June 2025 and 31 December 2024, except for the loan received by one of the Group's subsidiaries amounting to HK\$6,794,000 (31 December 2024: HK\$10,046,000) which bear fixed interest rates, all other bank loans bear interest at floating interest rates which approximate to market rates of interest.

12 Bank loans *(continued)*

(b) At 30 June 2025, the banking facilities available to the Company and certain subsidiaries of the Group were secured by:

- (i) Properties held for sale with a carrying value of HK\$64,366,000 (31 December 2024: HK\$64,366,000), and
- (ii) Hotel properties, including land, of the Group with aggregate carrying value of HK\$2,174,058,000 (31 December 2024: HK\$2,056,344,000).

Such banking facilities amounted to HK\$1,215,415,000 (31 December 2024: HK\$1,281,287,000) and were utilised to the extent of HK\$1,130,415,000 as at 30 June 2025 (31 December 2024: HK\$1,196,287,000).

(c) Except for the loan received by one of the Group's subsidiaries amounting to HK\$6,794,000 (31 December 2024: HK\$10,046,000), all of the Group's other banking facilities are subject to the fulfilment of covenants. Some of those relating to certain of the Group's financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the draw down facilities would become payable on demand.

As at 30 June 2025 and 31 December 2024, certain covenant ratios of two bank loans (referred as "Loan 1" and "Loan 2", respectively) entered into by two of the Group's subsidiaries deviated from the requirements as stated in the relevant loan agreements. For both Loan 1 and Loan 2, the Group has obtained waivers from the banks to waive the testing of the covenant prior to the end of the reporting period and the waivers to exempt those covenants testing covered a period of twelve months from the end of reporting period.

13 Trade and other payables

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Trade payables	109,709	119,354
Payables and accruals	200,397	141,844
Deposits and receipts in advance	147,552	176,391
	457,658	437,589

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within one month	74,173	84,933
One to three months	31,756	28,283
More than three months	3,780	6,138
	109,709	119,354

14 Loans from non-controlling shareholders

At 30 June 2025, loans from non-controlling shareholders of subsidiaries for amounts of HK\$36,197,000 (31 December 2024: HK\$34,890,000) and HK\$67,869,000 (31 December 2024: HK\$77,397,000) were unsecured, interest-free and repayable on 30 April 2026 and 30 April 2030 (31 December 2024: 30 April 2026 and 30 April 2025) respectively. During the six months ended 30 June 2025, certain loans from non-controlling shareholders are renewed. The amount of HK\$67,869,000 (31 December 2024: HK\$34,890,000) were classified as non-current liabilities. Discounting effects on the renewed loans for amounts of HK\$13,283,000 were classified as "capital contribution from non-controlling shareholders".

15 Capital, reserves and dividends**(a) Dividends**

- (i) *Dividends payable to equity shareholders of the Company attributable to the interim period*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend declared after the interim period, of HK\$0.03 (six months ended 30 June 2024: HK\$0.05) per ordinary share	10,206	17,010

The interim dividend has not been recognised as a liability at the end of the reporting period.

- (ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period*

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$0.07 (six months ended 30 June 2024: HK\$0.08) per ordinary share	23,814	27,216

(b) Share capital

	At 30 June 2025		At 31 December 2024	
	No. of shares	Amount	No. of shares	Amount
	'000	HK\$'000	'000	HK\$'000
Ordinary shares, issued and fully paid:				
At 1 January and at 30 June/31 December	340,200	498,305	340,200	498,305

(c) Reserves*Fair value reserve (non-recycling)*

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period.

16 Assets classified as held for sales

On 6 October 2023, Chateau Ottawa Hotel Inc. (the “Vendor”), an indirect non-wholly owned subsidiary of the Group entered into an agreement with an independent third party (the “Purchaser”), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, its interest in the hotel assets mainly comprise Sheraton Ottawa Hotel in Canada (“the Hotel Assets”) at the consideration of CAD43,200,000 (equivalent to approximately HK\$246,685,000).

The disposal was completed on 29 February 2024 with a gain on disposal of the Hotel Assets of HK\$156,237,000 recognised in the consolidated statement of profit or loss for the six months ended 30 June 2024.

17 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

- (i) The Group’s listed equity securities and trading securities are measured using market quoted price and therefore fall within the Level 1 fair value hierarchy as defined in HKFRS 13. The derivative financial assets carried at fair value are categorised as falling under Level 2 of the fair value hierarchy. The unlisted securities carried at fair value are categorised as falling under Level 3 of the fair value hierarchy.

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: Nil). The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

- (ii) Valuation techniques and inputs used in Level 2 fair value measurements

The Group’s derivative financial instruments of interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties. These derivative financial instruments fall within the Level 2 fair value hierarchy as defined in HKFRS 13.

- (iii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted securities	Adjusted net asset value	Underlying assets’ value	N/A
		Discount for marketability	25% to 30% (2024: 25% to 30%)

The fair value of unlisted securities is determined using adjusted net asset value, which is positively correlated to the underlying assets’ values and negatively correlated to the discount for marketability. The following table indicates instantaneous changes in the Group’s profit if there is an increase/decrease in these two significant unobservable inputs, assuming all other variables remain constant.

17 Fair value measurement of financial instruments (continued)**(a) Financial assets and liabilities measured at fair value (continued)**

(iii) Information about Level 3 fair value measurements (continued)

Significant unobservable inputs	Increase/(decrease) in significant unobservable inputs %	Six months ended 30 June 2025	2024
		Increase/(decrease) in the Group's profit HK\$'000	Increase/(decrease) in the Group's profit HK\$'000
Underlying assets' value	5	6,859	6,427
	(5)	(6,859)	(6,427)
Discount for marketability	1	(1,951)	(1,828)
	(1)	1,951	1,828

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	Six months ended 30 June 2025	2024
	HK\$'000	HK\$'000
Financial assets measured at FVPL:		
– <i>Unlisted securities:</i>		
At 1 January	123,104	134,021
Changes in fair value recognised in profit or loss	(3,984)	(1,426)
Unrealised exchange gain/(loss)	18,065	(4,050)
At 30 June	137,185	128,545

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

18 Capital commitments outstanding not provided for in the interim financial report

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Contracted for	183,611	52,607
Authorised but not contracted for	243,607	464,764
	427,218	517,371

19 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions, which were on commercial terms, with Mr Ho Kian Cheong ("KC Ho"), Goodland Limited ("Goodland"), Kansas Holdings Limited ("Kansas") and KSC Enterprises Limited ("KSC").

KC Ho is a non-executive director and a substantial shareholder of the Company at 30 June 2025. Goodland holds 28% of the equity interest in the Company at 30 June 2025. Kansas holds 30% of the equity interest in the Company at 30 June 2025. KSC is the fellow subsidiary of Kansas and Goodland. Mr Ho Kian Guan and Mr Ho Kian Hock, executive directors of the Company, each had 1/3 indirect interest in Goodland, Kansas and KSC and are also directors of Goodland and Kansas. They are deemed to be interested in the following transactions.

19 Material related party transactions *(continued)*

		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
(a) Transactions with Goodland			
Rental income receivable	(i)	260	260
Management fee payable	(ii)	984	984
(b) Balances with Goodland			
Amount due to Goodland	(iv)	639	134
(c) Balances with KC Ho			
Loan from KC Ho	(iii)	11,407	12,525
Amount due to KC Ho	(iii)	607	592
(d) Balances with Kansas			
Loan from Kansas	(iii)	47,090	51,704
Amount due to Kansas	(iii)	1,584	1,543

19 Material related party transactions *(continued)*

Notes:

- (i) A subsidiary of the Company rented certain of its properties to Goodland and received rental income.
- (ii) Certain subsidiaries of the Company paid management fees to Goodland.
- (iii) At 30 June 2025, loans from KC Ho of HK\$8,585,000 (31 December 2024: HK\$9,805,000) and HK\$2,822,000 (31 December 2024: HK\$2,720,000) were unsecured, interest-free and repayable on 30 April 2030 and 30 April 2026 (31 December 2024: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to KC Ho of HK\$607,000 (31 December 2024: HK\$592,000) was interest-free, unsecured and repayable on demand.

At 30 June 2025, loan from Kansas of HK\$35,442,000 (31 December 2024: HK\$40,476,000) and HK\$11,648,000 (31 December 2024: HK\$11,228,000) were unsecured, interest-free and repayable on 30 April 2030 and 30 April 2026 (31 December 2024: repayable on 30 April 2025 and 30 April 2026), respectively. Amount due to Kansas of HK\$1,584,000 (31 December 2024: HK\$1,543,000) which was interest-free, unsecured and repayable on demand.

Loans from KC Ho and Kansas are included in loans from non-controlling shareholders (note 14). Amounts due to KC Ho and Kansas are included in trade and other payable.

- (iv) At 30 June 2025, trade and other payables included amounts due to Goodland of HK\$639,000 (31 December 2024: HK\$134,000) comprising:
 - interest-bearing accounts with certain subsidiaries of the Company amounting to HK\$69,000 (31 December 2024: HK\$75,000).
 - non-interest bearing accounts with certain subsidiaries of the Company amounted to HK\$570,000 (31 December 2024: HK\$59,000).

The balances were unsecured and repayable on demand.

The related party transactions above constitute connected transactions as defined in Chapter 14A of the Listing Rules.

20 Contingent liabilities

- (a) At 30 June 2025, there were outstanding counter indemnities relating to guarantees issued by the bankers of a subsidiary in favour of the Macau Special Administrative Region Government in respect of properties held for sale amounted to HK\$8,252,000 (31 December 2024: HK\$8,252,000).

At 30 June 2025, the Directors do not consider it probable that a claim will be made against the Group under any of the guarantees. The Group have not recognised any deferred income in respect of any of the above guarantees as their fair value cannot be reliably measured and they were issued many years ago and their transaction price was Nil.

- (b) The Company has undertaken to provide financial support to one of its subsidiaries in order to enable it to continue to operate as a going concern.
- (c) The Company has undertaken to provide guarantee to banks in respect of bank loans granted to two of its subsidiaries.

SCHEDULE OF PRINCIPAL PROPERTIES

at 30 June 2025

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
Properties classified as investment properties					
Luso International Bank Building 1, 3 and 3A Rua Do Dr. Pedro Jose Lobo, Macau	100%	Office	40	30,264	Short lease
Ocean Plaza, I & II Ocean Gardens, Macau	70.61%	Commercial	47	94,525	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Office	19	49,703	Short lease
Ocean Tower Ocean Gardens, Macau	70.61%	Car parks	206	N/A	Short lease
Properties classified as hotel properties					
Delta Hotels by Marriott Toronto Airport & Conference Centre Toronto, Canada	25%	Hotel	433	447,380	Freehold
Caravelle Hotel Ho Chi Minh City, Vietnam	24.99%	Hotel	335	388,458	Medium lease
Holiday Inn Wuhan Riverside Wuhan, PRC	41.26%	Hotel	311	296,288	Medium lease
Sheraton Saigon Grand Opera Hotel (formerly known as Sheraton Saigon Hotel & Tower) Ho Chi Minh City, Vietnam	64.12%	Hotel	485	742,156	Medium lease
W San Francisco San Francisco, United States	100%	Hotel	411	292,168	Freehold
Sofitel New York New York, United States	100%	Hotel	398	294,000	Freehold
Best Western Hotel Fino Osaka Shinsaibashi Osaka, Japan	100%	Hotel	161	41,720	Freehold

SCHEDULE OF PRINCIPAL PROPERTIES *(continued)**at 30 June 2025*

Properties	Group's interest	Type	No. of units	Gross floor area (sq. ft.)	Lease term
Properties classified as properties held for sale					
Ocean Industrial Centre Phase II Rua dos Pescadores, Macau	100%	Industrial	3	22,921	Short lease
Ocean Park 530 East Coast Road Singapore	100%	Residential	5	10,550	Freehold
Rose Court Ocean Gardens, Macau	70.61%	Residential	3	11,121	Short lease
Begonia Court Ocean Gardens, Macau	70.61%	Residential	4	10,548	Short lease
Orchid Court Ocean Gardens, Macau	70.61%	Residential	2	5,274	Short lease
Sakura Court Ocean Gardens, Macau	70.61%	Residential	23	85,261	Short lease
Lily Court Ocean Gardens, Macau	70.61%	Residential	28	51,008	Short lease
Aster Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Bamboo Court Ocean Gardens, Macau	70.61%	Residential	40	113,200	Short lease
Ocean Gardens, Macau	70.61%	Car parks	743	N/A	Short lease
Keck Seng Industrial Building Avenida de Venceslau de Morais, Macau	100%	Car parks	3	N/A	Short lease