

HKRI

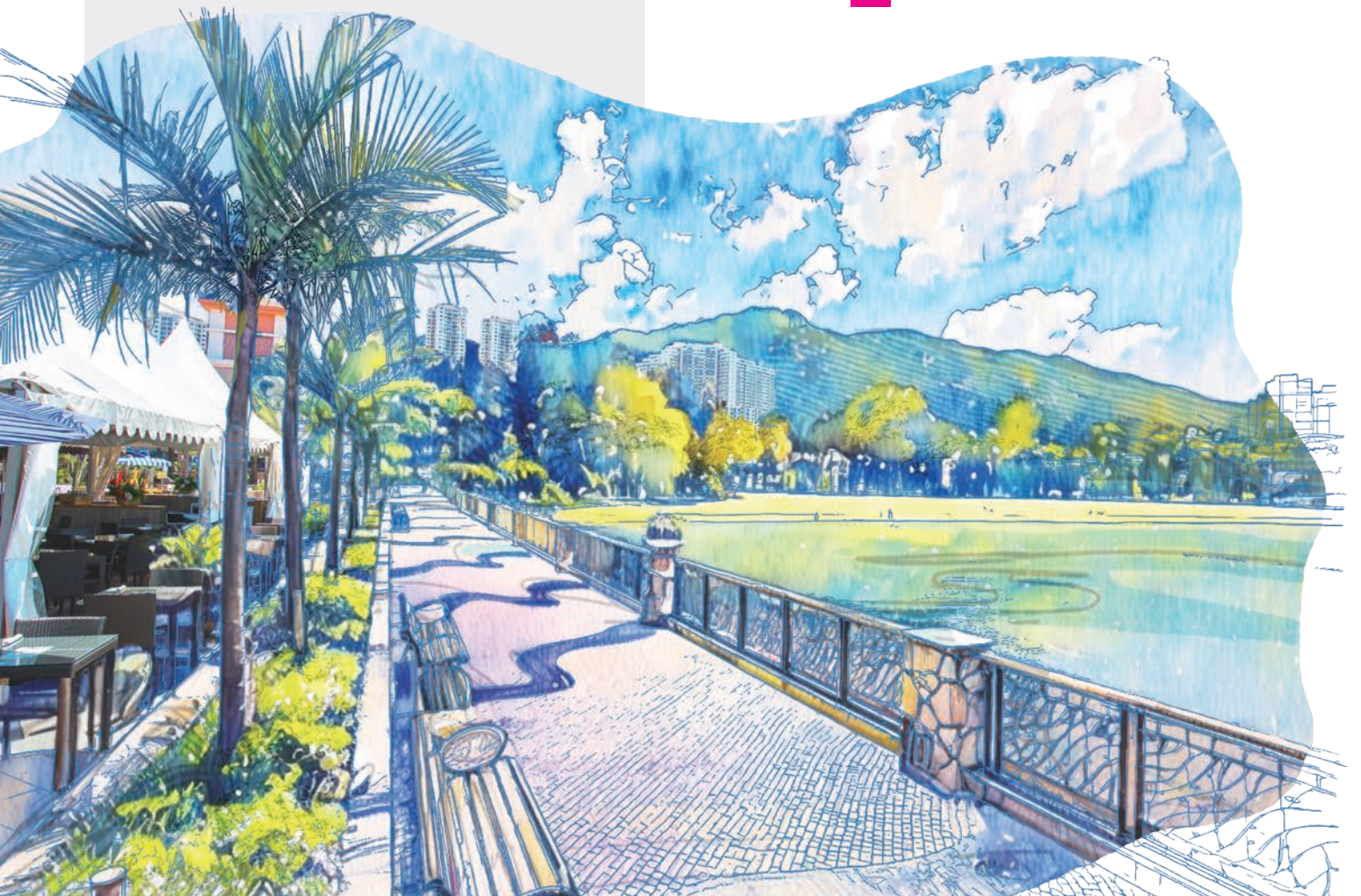
香港興業國際集團有限公司
HKR International Limited

Stock Code 股份代號：00480



24/25 INTERIM REPORT 中期報告





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Business and Financial Highlights

BUSINESS HIGHLIGHTS

SIGNIFICANT EVENTS DURING THE PERIOD UNDER REVIEW

Apr	<ul style="list-style-type: none"> • Superstructure works of River One, Shanghai, reached topping-out stage • Handover of sold units of IN One, Hangzhou commenced • Foundation works of property project located in Hollywood Road were completed • Auberge Discovery Bay Hong Kong launched its new loyalty programme, "Auberge Plus"
May	<ul style="list-style-type: none"> • VILLA LUCCA unveiled a newly furnished show house
Jun	<ul style="list-style-type: none"> • Announced 2023/24 Annual Results • "TheNextwave XX24 Beach Music Festival", Hong Kong's largest beach music festival, was held on Tai Pak Beach, Discovery Bay • DB Ice Rink hosted The ISI Hong Kong Invitational 2024, drawing 500 figure skaters from across Asia to compete in over 900 events
July	<ul style="list-style-type: none"> • A new bus route connecting DB North and Tung Chung inaugurated
Aug	<ul style="list-style-type: none"> • Conducted the 2024 Annual General Meeting • The Sukhothai Bangkok soft-launched its brand-new spa facility, The Sukhothai Spa
Sep	<ul style="list-style-type: none"> • The Town Planning Board approved the proposed change of use to "housing" in Discovery Bay Outline Zoning Plan regarding Areas 6f, 10b and Marina Club Area B
Oct	<ul style="list-style-type: none"> • Auberge Discovery Bay Hong Kong showcased its brand during its inaugural participation in the Hong Kong Wine & Dine Festival organised by the Hong Kong Tourism Board

FINANCIAL HIGHLIGHTS

	Six months ended 30 September		Year ended 31 March
	2024 HK\$'M	2023 HK\$'M	2024 HK\$'M
Results			
Revenue	852.5	3,157.1	3,940.7
(Loss)/profit attributable to owners of the Company	(474.3)	117.7	(468.0)
Basic (loss)/earnings per share (HK cents)	(31.9)	7.9	(31.5)

	30 September		31 March
	2024 HK\$'M	2023 HK\$'M	2024 HK\$'M
Financial Position			
Total assets	43,029.2	42,126.8	41,824.7
Total liabilities	17,097.1	15,508.0	15,677.8
Equity attributable to owners of the Company	23,209.2	23,753.5	23,358.3
Net asset value per share (HK\$)	15.6	16.0	15.7

Management Discussion and Analysis

The Board of Directors (the “Board”) of HKR International Limited (the “Company”) announces the results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2024 (the “Period”).

INTERIM RESULTS

The Group’s revenue for the Period amounted to HK\$852.5 million, which decreased by 73.0% from HK\$3,157.1 million in the last corresponding period primarily owing to decrease in revenue from property development during the Period in which there was no completion of new development projects in both Hong Kong and mainland China. During the last corresponding period, the revenue amounting to HK\$2.1 billion from recognition of Starlight One, a project in Jiaxing, the People’s Republic of China (“PRC”) was relatively substantial in comparing between the two periods. With the inclusion of the Group’s attributable share of net unrealised losses on fair value change of investment properties held by the Group and its joint venture amounting HK\$321.6 million and non-recurring asset impairment provisions of HK\$127.9 million on the property development projects held by the Group and its joint venture, the Group recorded a loss attributable to owners of the Company of HK\$474.3 million, a decrease of HK\$592.0 million from a profit attributable to owners of the Company of HK\$117.7 million for the last corresponding period.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend to its shareholders for the Period. There was also no interim dividend paid by the Company to its shareholders for the last corresponding period.

BUSINESS REVIEW

(Save as otherwise stated below, all projects and operations are 100% owned by the Group)

PROPERTY DEVELOPMENT AND INVESTMENT

The Group’s revenue from property development and investment for the Period, including proportionate shares of joint ventures and associates of HK\$573 million, was HK\$1,030 million. The contribution of property development and investment in the Period, including proportionate shares of joint ventures and associates of HK\$69 million, was HK\$45 million.

Property Development

Hong Kong

Following the removal of all property cooling measures in late February 2024, Hong Kong’s residential property market responded positively with transaction volume in April 2024 increased notably, and then moderated amid high interest rates and subdued stock market performance.

The US Federal Reserve’s 0.5% rate cut in September prompted banks in Hong Kong to reduce prime rates by 0.25%, marking the first rate cut in over four years. With Federal Reserve officials signalling potential further cuts this year, it is expected to stimulate latent demand.

At Discovery Bay (“DB”), in which the Group holds a 50% interest, the DB 2.0 Blueprint advanced during the Period. Under Master Plan 7.0E, the new residential development in DB North will add over 1.3 million square feet of gross floor area (“GFA”), providing more than 1,400 residential units. The first phase of this new development is scheduled for completion and handover in the first quarter of 2026.

Planning for DB Area 6f, set to provide approximately 500 residential units, progressed during the Period. Applications to convert DB Service Area 10b and Marina Club Area B to residential use will provide over 800 residential units, including mid-rise, low-rise and garden houses, most offering sea views and access to a 350-metre waterfront promenade. The Town Planning Board approved the revised Outline Zoning Plan incorporating aforementioned land use changes in September 2024, significantly expanding the Group’s land bank for future development.

The Group maintains its commitment to enhancing the DB community through the DB 2.0 Blueprint. Plans are underway for Club Siena’s renovation, alongside scheduled improvements to Discovery Bay Golf Club.

Management Discussion and Analysis

A new multi-recreation complex under construction will offer diverse educational, sports and leisure activities. Foundation and site formation are complete, with main contract works expected to commence in the second quarter of 2025.

The Group continues developing DB as a vibrant community by promoting environmental awareness, sporty lifestyle and healthy living. During the Period, a series of activities were lined-up, such as “TheNextwave XX24 Beach Music Festival”, Hong Kong’s largest beach music festival, and “DB Summer Splashtopia 2024”. These events attracted substantial visitor numbers, boosting DB’s transportation and retail revenues whilst enhancing brand exposure.

VILLA LUCCA, a luxury residential project in Tai Po (40:60 joint venture with Hysan Development Company Limited), saw increased buyer interest and property viewings following February 2024’s policy changes. With demand for premium luxury residences stabilised, sales strategies are being developed to further encourage transactions.

The Group’s residential projects in Hong Kong are summarised below:

Projects	Status as of 30 September 2024
IL PICCO, DB (50% owned)	<ul style="list-style-type: none">• Total units: 21 garden houses• Units sold: 10 (1 sold during the Period)• Sales proceeds generated during the Period: HK\$60.0 million• Revenue of 1 sold unit recognised during the Period
Poggibonsi, DB (50% owned)	<ul style="list-style-type: none">• Total units: 196• Units sold: 195 (2 sold during the Period)• Sales proceeds generated during the Period: HK\$35.8 million• Revenue of 1 sold unit recognised during the Period
VILLA LUCCA, Tai Po (40% owned)	<ul style="list-style-type: none">• Total units: 262• Units sold: 72 (16 sold during the Period)• Sales proceeds generated during the Period: HK\$402.8 million• Revenue of 17 sold units recognised during the Period

Mainland China

During the Period, China’s residential market faced challenges, characterised by subdued sentiment and ongoing consolidation. The Central Government, however, demonstrated firm commitment to revitalising the sector through measures supporting both supply and demand. Various policies and easing of purchase restrictions by local authorities, together with relaxation of mortgage requirements by The People’s Bank of China, laid groundwork for sustainable recovery and further boosted market confidence.

Given the current situation, the Group will implement a more targeted sales strategy for its residential developments in Shanghai and Hangzhou. In line with its investment approach, the Group maintains a prudent stance, balancing risk management whilst exploring value-driven opportunities.

The residential plot in Nanhu New District, Jiaxing, is slated for development as a premium apartment complex with a plot ratio of 2.1. Planning approval and working permits were secured in March 2024, with site work commencing the same month.

At IN One, Hangzhou, all sold units commenced occupancy in April 2024.

River One in Shanghai received pre-sale consent in January 2024, with sales launch in the same month. As of 30 September 2024, 71% of units had been sold. All apartment blocks and villas reached topping-out stage in April 2024. Occupation permit is anticipated to be issued in the second quarter of 2025.

Management Discussion and Analysis

The Group's key residential projects under development in mainland China are:

Projects	GFA (sq. ft.)	Status as of 30 September 2024
Jiaxing, Zhejiang		
Land lot no. 2023-06 in Nanhu New District	1,415,000	<ul style="list-style-type: none">• Piling works completed in July 2024• Excavation and basement construction in progress• Five of 23 blocks completed to ground level, meeting pre-sale requirements• All blocks expected to reach ground level by end-December 2024
Hangzhou, Zhejiang		
IN One	430,000	<ul style="list-style-type: none">• Comprises 295 residential units• Occupancy commenced in April 2024
Shanghai		
River One	350,000	<ul style="list-style-type: none">• 262 units with plot ratio of 1.1• Superstructure works achieved topping-out in April 2024• 71% of units sold as at 30 September 2024

Property Investment

Hong Kong

During the Period, office leasing demand in Hong Kong remained subdued, with vacancy rates at elevated levels. Landlords are vying for tenants by offering rental incentives, capital subsidies, and flexible terms. Meanwhile, local consumption is expected to remain weak, due to the strong Hong Kong dollars, a sluggish local economy, alongside the rising trend of Mainland-bound tourism. Despite the Government's implementation of various campaigns and measures to stimulate retail market sentiment, the downward trend in rental performance for retail properties is likely to persist in the short to medium term.

In this competitive market, shaped by economic fluctuations and evolving tenant preferences, retaining existing tenants and attracting new prospects are crucial. The Group offers flexible terms, including rent-free periods and fitting-out incentives, as part of a proactive strategy to boost occupancy rates and ensure long-term business viability.

The rental performance of the Group's investment properties in DB, in which it holds a 50% interest, experienced a modest impact during the Period. DB Plaza, including its extension, along with DB North, achieved an average occupancy rate of 78.8%. To cater to residents' needs and ensure a balanced business mix, several new restaurants and retail outlets have been introduced amid tenant reshuffling. Plans are underway to enhance DB's facilities and connectivity, aiming to provide an improved experience for both residents and visitors.

Despite challenging conditions, the CDW Building in Tsuen Wan maintained an average occupancy rate of approximately 91.6% during the Period. The 8½ retail arcade showed resilience, recording an increase in retail sales and foot traffic, and a notable average occupancy rate of 98.1%.

The United Daily News Centre in To Kwa Wan recorded an average occupancy rate of 89.7% during the Period. Approval for changing its land use from industrial to residential is pending the conclusion of land premium negotiations.

West Gate Tower in Cheung Sha Wan achieved an average occupancy rate of 86.8% during the Period, a commendable performance given the competitive landscape posed by new office developments in the neighbourhood.

Management Discussion and Analysis

Concurrently, the Wellgan Villa residential property in Kowloon Tong demonstrated strong performance with an average occupancy rate of 97.4% during the Period.

The Hollywood Road and Upper Lascar Row project is planned to be developed into a premium serviced apartment. Superstructure works commenced in October 2024.

Mainland China

The HKRI Centres One and Two office towers at HKRI Taikoo Hui (“HTH”) in Shanghai (in which the Group holds a 50% interest) achieved a combined average occupancy rate of 95.7% during the Period. Despite challenging operational conditions and fierce competition, the HKRI Centres significantly outperformed market expectations.

HTH strengthened its position as a premier luxury and lifestyle shopping destination, continuing its mall reconfiguration during the Period to enhance tenant mix. The ongoing enhancement works resulted in a modest 4% decline in foot traffic and reduced occupancy rates. During the Period, the retail segment maintained an average occupancy rate of 78.1%.

Hangzhou’s office rental market remains challenging. The Group maintains excellence in management services and proactive tenant engagement, aiming to address tenant needs whilst sustaining market competitiveness. HKR International Centre, comprising 156 office units and rights of use for 62 parking spaces, recorded an average occupancy rate of 81.7% during the Period.

In Tianjin, The Exchange, in which the Group holds a 15% interest, achieved an average occupancy rate of 90.3% during the Period.

TRANSPORTATION SERVICES AND PROPERTY MANAGEMENT

Transportation Services

DB’s transportation operations, comprising ferry, bus and tunnel services, are managed by the Group’s various subsidiaries (in which the Group holds a 50% interest). During the Period, ferry and bus services for DB North were enhanced to meet contemporary customer needs, with overall demand remained stable.

Supporting DB North’s development, a new bus route connecting DB North and Tung Chung was launched in July 2024, enhancing convenience for residents and visitors. Meanwhile, the implementation of a fleet management e-system has enabled new functionality in the DB Transport Mobile App, allowing passengers to track estimated bus arrival times on key DB routes.

With enhancement works completed at DB Pier and Central Pier No. 3, the new gateways provide brand new experience to residents and visitors to DB. The ferry fare collection system has been upgraded with increased capacity. The Group is exploring additional electronic payment options beyond the Octopus card system.

Advancing its sustainability commitment to reduce vehicle emissions, the Group has ordered an electric bus, scheduled for deployment in DB by the fourth quarter of 2025.

Property Management

The Group’s property management services in DB and across Hong Kong demonstrated strong performance during the Period, garnering recognition for both sustainability initiatives and service excellence.

The “Individual Sustainable Development Goals Award – Goal 17: Partnerships for The Goals” acknowledged the Group’s sustainability achievements, whilst the “Champion Award of Age-Friendly Housing Estate” recognised its service excellence in supporting the ageing population.

In occupational safety, DB achieved an “Excellent” grade under the Occupational Safety and Health Council’s “Hong Kong Safety and Health Certification Scheme”, highlighting the Group’s commitment to workplace safety in property management.

HOTEL OPERATIONS AND LEISURE BUSINESSES

Hotel Operations

The global hospitality sector faces mounting challenges as tourist arrivals struggle to return to pre-pandemic levels, delaying recovery in hotel occupancy and tourism spendings.

Throughout the Period, the Group's hotel operations in Hong Kong, Shanghai and Bangkok demonstrated strong resilience, adapting to Chinese tourists' evolving preferences for experiential and flexible travel options.

Hong Kong

As a unique resort destination, DB's diverse hospitality offerings provide immersive experiences and are well-positioned to capture rising demand for experiential travel. This is strengthened through cross-selling initiatives within the Group's leisure brands and partnerships with leading external brands.

Auberge Discovery Bay Hong Kong (in which the Group holds a 50% interest) has actively pursued business opportunities through trade shows and overseas sales trips. The hotel has further expanded into the wedding segment, participating in wedding expos and hosting venue open days during the Period. Concurrently, the hotel has also enhanced its family offerings and food and beverage options, and re-launched the signature Sunday Brunch Buffet to entice return customers. These initiatives received positive response from the market and wide coverage by KOLs.

Mainland China

The hotel market in mainland China continued its strong performance in first-half 2024, supported by sustained international and domestic travel demand, with Shanghai recorded a remarkable growth. Limited room supply in the market contributed to continued growth in average room rates, extending trends from the previous financial year.

The Sukhothai Shanghai (in which the Group holds a 50% interest) capitalised on this market momentum, achieving high occupancy rates and strong room rate growth through strategic positioning and tailored guest experiences.

Looking ahead, focus remains on differentiation through continuous expansion of premium offerings, digital integration, and provision of personalised service innovations and unique travel experiences.

Thailand

Thailand's tourism-driven economy has shown robust growth from increased international arrivals. Nevertheless, the oversupply of hotel rooms in Bangkok posed challenges to The Sukhothai Bangkok, leading to a slowdown in occupancy and revenue. Despite this, completed room renovations and pool enhancements have been crucial to recovery efforts.

The Sukhothai Spa, a new luxury complex, soft-launched in August 2024, marking a significant milestone in Bangkok's luxury hospitality sector.

The hotel continues to focus on key priorities such as boosting occupancy, elevating brand reputation and enhancing performance through guest experience excellence and targeted marketing.

Leisure Businesses

DB houses four premium membership clubs: Discovery Bay Recreation Club ("DBRC"), Club Siena, Discovery Bay Golf Club ("DBGC") and Lantau Yacht Club ("LYC"), alongside the state-of-the-art DB Ice Rink ("DBIR"). These leisure businesses are establishing industry leadership position through innovative design, cutting-edge infrastructure and exceptional operational standards.

LYC's superyacht berths and top-notch services have driven membership acquisition. The club has expanded into the wedding and corporate events segment, offering exclusive and picturesque venues with premium amenities.

Management Discussion and Analysis

LYC further strengthened its market position by hosting the second boat show “Festa Nautica”, showcasing premium yachts, luxury lifestyle experiences and the city’s edge in the yachting industry. With the growth of yacht tourism alongside the Government’s advocate for promoting yacht tourism, LYC is well positioned and ready to capture this rising demand.

During the Period, DBGC recorded strong membership transfers, underscoring its appeal among golf enthusiasts. Planned renovations are in the pipeline, which will enhance member experience.

DBIR has established itself as a premier international sports competition venue and elite skating academy. Notable events included the “East West Spring Classic 2024” ice hockey tournament and the inaugural “ISI Hong Kong Invitational 2024 @DB Ice Rink”, drawing regional and international teams to DB.

The Group holds a 50% interest in all of DB’s leisure businesses.

HUMAN RESOURCES

As of 30 September 2024, the Group proudly employed a diverse and talented workforce of 1,450 individuals. Recognising the importance of staying competitive in the ever-evolving human capital market, the Group continually refines its talent development practices, enhances fringe benefits, and reinforces corporate culture through various wellness and staff engagement activities. These initiatives underscore the Group’s commitment to fostering a positive and supportive work environment, and cultivating a harmonious workspace where employees can thrive.

OUTLOOK

The global economic landscape presents significant challenges for the Company in 2024. During the Period, a combination of geopolitical tension, interest rate hike and inflationary pressure, has created considerable uncertainty.

In Hong Kong, the stock market reflected this macroeconomic situation with notable volatility, and largely impacted market sentiments. The recent interest rate cut slightly boosted the property market, resulting in some signs of stabilisation after a prolonged period of decline, however, the pace of further rate cuts and the lingering impact of a sluggish economy may hinder a full recovery.

Turning to mainland China, the property market has been significantly influenced by the Central Government’s multi-approach policies announced toward the end of the Period. Consequently, there has been a modest recovery in property transactions and price in some key cities. These supportive measures may take time to yield long-term positive impacts. Challenges also remain in balancing growth and debt management within the sector.

In these evolving market dynamics, prioritising business sustainability has become increasingly important. To advance DB to the 2.0 stage, the Group adopts a strategic development approach that centres the future residential property projects, complemented by a series of advancements in commercial, recreational, hospitality sectors, as well as enhanced connectivity.

This holistic approach aims to deliver long-term business synergy, enhance resilience against market fluctuations, while fulfilling the Group’s commitment to creating a better community for both residents and visitors. Nevertheless, it also serves as both a blueprint for future growth and a vital element of its risk management framework, demonstrating our adaptability and resilience in the face of ongoing challenges.

Looking ahead, the Group will continue maintaining a prudent approach in monitoring market conditions, diligently assessing value-driven opportunities, while adhering to a robust risk management strategy. This will enable the Group to navigate the current changing economic landscape and cement a solid foundation for sustainable growth in the future.

FINANCIAL REVIEW

SEGMENT RESULT ANALYSIS

Property Development

Segment result of the property development segment recorded a loss of HK\$240.3 million (six months ended 30 September 2023: profit of HK\$214.5 million). The decline in segment result was attributed to: (i) no launch of new development project in the Period while in the last corresponding period, the segment benefited from the completed sales of Starlight One in mainland China; (ii) sales of properties held for sale in Hong Kong and mainland China have been slow due to cautious market sentiment during the Period; and (iii) further provisions made for impairment losses on property development projects held by the Group and its joint venture. As at 30 September 2024, the Group has HK\$1,133.3 million contracted but unrecognised property sales.

Property Investment

Segment result of the property investment segment declined by 5.7% to HK\$285.1 million (six months ended 30 September 2023: HK\$302.2 million). During the Period, the segment recorded overall decline on rental revenues generated from its investment portfolios due to lower occupancies and lower rental rate upon renewal. The Group's share of result of the joint venture, HTH slightly decreased from HK\$137.0 million to HK\$126.4 million owing to the revamped renovation of retail mall currently in progress which temporarily impacted its occupancy.

Transportation Services and Property Management

Segment result of transportation services and property management segment increased by 10.7% to HK\$16.6 million (six months ended 30 September 2023: HK\$15.0 million). Average daily ridership of bus services has been steadily improving, surpassing that of the last corresponding period while ferry ridership has yet to catch up. The Group has implemented timely fare adjustments in August and prioritised cost control measures to alleviate the operating cost pressure from fuel and staff costs and started to seeing fruitful result.

Hotel Operations

The hotel operations segment recorded an overall segment loss of HK\$30.7 million for the Period (six months ended 30 September 2023: HK\$15.2 million). The Sukhothai Bangkok's occupancy has been improving after the refurbishment of guest rooms. Auberge Discovery Bay Hong Kong's has been impacted by the shift of consumption behavior of inbound tourists and intensified competition from hotels in nearby areas, causing a decline on its room occupancy, food and beverage operations and overall operating performance when compared to the last corresponding period.

Leisure Businesses

The leisure businesses segment, which primarily includes DBRC, Club Siena, DBGC, LYC and DBIR, recorded segment loss of HK\$2.0 million for the Period (six months ended 30 September 2023: HK\$12.0 million). Improvement in overall segment loss was largely attributed to higher incomes from DBGC's debenture transfers and increased cost control measures across all the segment operating units.

LIQUIDITY AND FINANCIAL RESOURCES

Net Debt and Capital Structure

As at 30 September 2024, the Group had total bank balances and cash of HK\$2,228.2 million (31 March 2024: HK\$1,605.8 million) and a net debt of HK\$9,343.8 million (31 March 2024: HK\$9,021.4 million) after deducting total bank borrowings and other loans of HK\$11,572.0 million (31 March 2024: HK\$10,627.2 million).

As at 30 September 2024, about 33% of the Group's bank balances and cash were denominated in Hong Kong dollars, 38% in Renminbi, 11% in US dollars, 13% in Japanese Yen and the remaining were mainly in Singapore dollars and Thai Baht.

As at 30 September 2024, the Group's debt portfolio comprised of primarily bilateral and syndicated bank loans to finance its general working capital and the development projects. The unlisted notes of HK\$300 million was issued under Medium Term Note programme in May 2021.

Management Discussion and Analysis

The maturity profile of bank borrowings and other loans were 51.7% (31 March 2024: 35.2%) falling within one year, 11.2% (31 March 2024: 27.2%) falling between one and two years, 34.5% (31 March 2024: 34.8%) falling between two and five years and 2.6% (31 March 2024: 2.8%) falling over 5 years.

As at 30 September 2024, all bank borrowings and other loans were on floating rate basis whereas the unlisted notes were with fixed coupon rate. The Group's total bank borrowings and other loans were all denominated in Hong Kong dollars.

Shareholders' Fund and Gearing

As at 30 September 2024, the shareholders' fund of the Group decreased by HK\$149.1 million to HK\$23,209.2 million (31 March 2024: HK\$23,358.3 million).

The Group's gearing ratio was 40.3% (31 March 2024: 38.6%) as calculated by the Group's consolidated net borrowings to the shareholders' fund as at 30 September 2024.

Availability of Facilities

Total available loan facilities as at 30 September 2024 were HK\$16,611.0 million (31 March 2024: HK\$17,611.0 million), of which 81.9% were committed.

As at 30 September 2024, the unutilised credit facilities were approximately HK\$5,018.2 million (31 March 2024: HK\$6,958.2 million). The Group closely monitors its liquidity requirements and arranges financing for its development projects and operations as and when appropriate.

During the Period, the average financing cost was at 5.7% per annum as compared to 5.5% per annum in the last corresponding period.

With the ample internal resources, unutilised loan facilities, and the ready access to the loan and debt capital markets, the Group has sufficient financial resources to fund its current commitments and future potential investment opportunities ahead.

TREASURY POLICY

The Group has centralised treasury functions and adopted a conservative approach for its treasury management. The Group closely reviews and monitors its foreign currency exposure. To manage foreign currency exposure in certain overseas investments, the Group maintains certain naturally hedged positions and will make any swap or future arrangements as appropriate. The Group's banking facilities are principally on floating rate basis and interest rate swaps will be employed to manage interest rate risk for its short- to medium-term borrowings when appropriate and necessary.

The use of derivative financial instruments is strictly controlled and are primarily used for management of interest rate and currency exposures. It is the policy of the Group to restrict the use of financial derivatives for speculative purpose.

PLEDGE OF ASSETS

As at 30 September 2024, the loans advanced to a joint venture by the Group including interest payable amounting to approximately HK\$1,855.8 million (31 March 2024: HK\$1,695.8 million) were subordinated to banks to secure a banking facility granted to the joint venture for financing the development project in Tai Po.

FINANCIAL GUARANTEE CONTRACTS

The Company provided a corporate guarantee in proportionate share to banks for securing a banking facility granted to a joint venture to finance the development project in Tai Po. The bank loan balance in proportionate share of 40% is HK\$654.0 million (31 March 2024: HK\$884.5 million) as at 30 September 2024.

Save as disclosed above, the Group did not have other significant financial guarantee contract as at 30 September 2024.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, the interests or short positions of the Directors and their respective associates in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and adopted by the Company were as follows:

A) LONG POSITIONS IN THE SHARES OF THE COMPANY OF HK\$0.25 EACH

Name of director	Capacity	Personal interests	Other interests	Total	Approximate percentage of issued share capital
Victor CHA	Beneficial owner and beneficiary of discretionary trusts	1,254,278	791,896,895 ¹	793,151,173	53.40
Madeline WONG	Founder and/or beneficiary of discretionary trusts	–	789,684,882 ^{2,3}	789,684,882	53.17
Johnson CHA	Beneficiary of discretionary trusts	–	790,469,647 ¹	790,469,647	53.22
Benjamin CHA	Beneficiary of discretionary trusts	–	780,233,599 ¹	780,233,599	52.53
TANG Moon Wah	Beneficial owner	148,720	–	148,720	0.01

¹ The shares belonged to certain but not identical discretionary trusts of which CCM Trust (Cayman) Limited ("CCM Trust") and LBJ Regents (PTC) Limited ("LBJ Regents") are the corporate trustees and the relevant Directors are among the members of the classes of discretionary beneficiaries.

² 635,627,031 shares belonged to certain but not identical discretionary trusts of which CCM Trust and LBJ Regents are the corporate trustees and the Director is among the members of the classes of discretionary beneficiaries.

³ The Director is, under two separate discretionary trusts of which CCM Trust and LBJ Regents are the corporate trustees, the founder and member of the classes of discretionary beneficiaries thereof. Such trusts are deemed to be interested in 154,057,851 shares in aggregate.

B) SHARE OPTIONS

Directors have been granted share options of the Company, details of which are set out in the paragraph headed "Share Option Schemes" below.

Save as disclosed above and for certain Directors holding non-beneficial interests in the share capital of some of the subsidiaries of the Company as the nominee shareholders, as at 30 September 2024, none of the Directors or their respective associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning 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 contained in the Listing Rules.

Other Information

SHARE OPTION SCHEMES

The existing share option scheme of the Company was approved and adopted by shareholders of the Company on 25 August 2021 (the "2021 Scheme") and the listing status of shares to be granted under the 2021 Scheme was granted by the Listing Committee of the Stock Exchange on 27 August 2021. Under the 2021 Scheme, options may be granted, inter alia, to Directors, full-time employees, and any consultants (employed on a contract basis) of the Company and its subsidiaries. The total number of shares of the Company available for grant of share options under the 2021 Scheme is 148,530,180 shares which represents 10% of the issued share capital of the Company at the date of adoption of the 2021 Scheme (i.e. 25 August 2021). During the Period, 820,000 share options lapsed and no share options were granted, exercised, or cancelled in accordance with the terms of the 2021 Scheme.

Upon the adoption of the 2021 Scheme, the share option scheme adopted in 2011 (the "2011 Scheme") was terminated on 27 August 2021 but the share options granted prior to the termination continue to be valid and exercisable in accordance with the 2011 Scheme. During the Period, no share options were lapsed, exercised or cancelled in accordance with the terms of the 2011 Scheme. Details of movements of the share options during the Period and the outstanding share options as at 30 September 2024 under the 2021 Scheme and 2011 Scheme, respectively were as follows:

A) SHARE OPTIONS UNDER THE 2021 SCHEME

Name or Category of participant	Date of grant ^{4,5}	Exercise price per share HK\$	Number of share option		
			Balance at 1 April 2024	Lapsed during the Period	Balance at 30 September 2024
Victor CHA	24 November 2021	3.028	9,500,000	–	9,500,000
	4 October 2023	1.636	9,500,000	–	9,500,000
TANG Moon Wah	24 November 2021	3.028	6,000,000	–	6,000,000
	4 October 2023	1.636	6,000,000	–	6,000,000
Ivan LEE	24 November 2021	3.028	600,000	–	600,000
	4 October 2023	1.636	1,500,000	–	1,500,000
NGAN Man Ying	24 November 2021	3.028	3,000,000	–	3,000,000
	4 October 2023	1.636	3,000,000	–	3,000,000
Madeline WONG	24 November 2021	3.028	3,500,000	–	3,500,000
	4 October 2023	1.636	3,500,000	–	3,500,000
Johnson CHA	24 November 2021	3.028	2,400,000	–	2,400,000
	4 October 2023	1.636	2,400,000	–	2,400,000
Benjamin CHA	4 October 2023	1.636	2,400,000	–	2,400,000
	24 November 2021	3.028	1,200,000	–	1,200,000
Linus CHEUNG	4 October 2023	1.636	1,200,000	–	1,200,000
	24 November 2021	3.028	1,200,000	–	1,200,000
Henry FAN	24 November 2021	3.028	1,200,000	–	1,200,000
	4 October 2023	1.636	1,200,000	–	1,200,000
Barbara SHIU	24 November 2021	3.028	600,000	–	600,000
	4 October 2023	1.636	1,200,000	–	1,200,000
TANG Kwai Chang	24 November 2021	3.028	1,200,000	–	1,200,000
	4 October 2023	1.636	1,200,000	–	1,200,000
Ex-directors ⁶	24 November 2021	3.028	6,600,000	–	6,600,000
Ex-director ⁷	4 October 2023	1.636	3,000,000	–	3,000,000
Employees	24 November 2021	3.028	2,980,000	330,000	2,650,000
	4 October 2023	1.636	6,040,000	490,000	5,550,000
Total			80,920,000	820,000	80,100,000

- ⁴ Share options granted on 24 November 2021 are exercisable during the period from 24 November 2021 to 23 November 2026 and the share options vested immediately on the date of grant.
- ⁵ Share options granted on 4 October 2023 are subject to vesting conditions (50% of the options granted were vested on 4 October 2024 and the remaining balance shall be vested on 4 October 2025) and early termination and are exercisable up to 3 October 2028.
- ⁶ Include three Directors resigned or retired with effect from 24 August 2022, 23 August 2023 and 20 September 2024 respectively.
- ⁷ Include a Director resigned with effect from 20 September 2024.

B) SHARE OPTIONS UNDER THE 2011 SCHEME

Name or Category of participant	Date of grant ^{8,9}	Exercise price per share HK\$	Number of share option		
			Balance at 1 April 2024	Lapsed during the Period	Balance at 30 September 2024
Victor CHA	28 February 2017	3.845	3,190,000	–	3,190,000
	12 March 2018	4.373	5,500,000	–	5,500,000
TANG Moon Wah	28 February 2017	3.845	2,200,000	–	2,200,000
	12 March 2018	4.373	3,300,000	–	3,300,000
Ivan LEE	12 March 2018	4.373	220,000	–	220,000
Madeline WONG	28 February 2017	3.845	1,210,000	–	1,210,000
	12 March 2018	4.373	1,760,000	–	1,760,000
Johnson CHA	28 February 2017	3.845	1,210,000	–	1,210,000
	12 March 2018	4.373	1,760,000	–	1,760,000
Linus CHEUNG	28 February 2017	3.845	550,000	–	550,000
	12 March 2018	4.373	880,000	–	880,000
TANG Kwai Chang	28 February 2017	3.845	220,000	–	220,000
	12 March 2018	4.373	880,000	–	880,000
Ex-directors ¹⁰	28 February 2017	3.845	5,390,000	–	5,390,000
Ex-directors ¹¹	12 March 2018	4.373	7,260,000	–	7,260,000
Total			35,530,000	–	35,530,000

⁸ Share options granted on 28 February 2017 are exercisable during the period from 28 February 2017 to 27 February 2027. Share options granted on 12 March 2018 are exercisable during the period from 12 March 2018 to 11 March 2028.

⁹ The share options vested immediately on the respective dates of grant.

¹⁰ Include four Directors resigned or retired with effect from 31 March 2018, 1 April 2021, 24 August 2022 and 23 August 2023 respectively.

¹¹ Include five Directors resigned or retired with effect from 31 March 2018, 1 April 2021, 24 August 2022, 23 August 2023 and 20 September 2024 respectively.

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2024, the following persons (other than the Directors) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

LONG POSITIONS IN THE SHARES OF THE COMPANY OF HK\$0.25 EACH

Name of shareholder	Capacity	Number of ordinary share	Approximate percentage of issued share capital
CCM Trust (Cayman) Limited	Corporate trustee	715,617,969 ¹²	48.17
LBJ Regents (PTC) Limited	Corporate trustee	101,084,280 ¹³	6.81
Mingly Corporation	Interest of controlled corporation	144,606,568 ¹⁴	9.73
OEI Kang Eric	Interest of controlled corporations/ Interest held jointly with another person	90,405,600 ¹⁵	6.08
Claudio Holdings Limited	Interest of controlled corporations	83,500,800 ¹⁶	5.62

¹² These share interests comprise 571,011,401 shares held directly by CCM Trust and 144,606,568 held indirectly through a wholly-owned subsidiary of Mingly Corporation ("Mingly"), which CCM Trust is interested in 91.27% equity interest. CCM Trust holds the above share interests as corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming's spouse and their issue.

¹³ The shares are held by LBJ Regents as corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming's issue.

¹⁴ The shares are held indirectly by Mingly through its wholly-owned subsidiary.

¹⁵ As at 27 February 2024 as disclosed to the Stock Exchange, 6,904,800 shares are held jointly by OEI Kang Eric with another person and 83,500,800 shares are held by corporations (including Claudio Holdings Limited) controlled by OEI Kang Eric.

¹⁶ As at 27 February 2024 as disclosed to the Stock Exchange, the shares are held by, through corporations controlled by, Claudio Holdings Limited.

Save as disclosed above, as at 30 September 2024, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

There was no grant to, and no exercise by, the Directors of the Company of any share options of the Company during the Period.

Save as disclosed under the heading "Share Option Schemes" above, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance which it believes to be core to the success of its businesses and operations. During the Period, the Company has applied the principles and complied with all applicable code provisions, and certain recommended best practices of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules (including amendments as effected from time to time) as its own code of conduct to regulate securities transactions by Directors and specified employees who, by reference to their positions and duties, are likely to be in possession of inside information of the Group. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the Period.

CHANGE IN THE INFORMATION OF DIRECTORS

Mr TANG Kwai Chang retired as a convenor and member of Financial Reporting Review Panel of the Accounting and Financial Reporting Council with effect from 15 July 2024.

Mr Ivan LEE was appointed as Chief Strategic Development Officer with effect from 1 September 2024 in supporting major business assignments, leisure and hospitality related projects for the Group.

Mr CHEUNG Ho Koon resigned as an Executive Director of the Company with effect from 20 September 2024.

Mr Henry FAN retired as a member of the board of the West Kowloon Cultural District Authority with effect from 22 October 2024.

CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF CHAPTER 13 OF THE LISTING RULES

In accordance with the continuing obligations set out in rule 13.21 of Chapter 13 of the Listing Rules, the following are the details of the loan agreements with covenants relating to specific performance on the controlling shareholders of the Company as at the date of this interim report pursuant to rule 13.18 thereof. There exists no reporting obligation by the Company under rules 13.17 and 13.19 of the Listing Rules accordingly:

- a) The Company is the borrower of a loan agreement entered into on 4 August 2020 (the "Loan Agreement I") for a term and revolving loan facility in an aggregate principal amount of HK\$3,350 million with final maturity date falling five years from the date of the Loan Agreement I.
- b) The Company is the borrower of a loan agreement entered into on 9 October 2020 (the "Loan Agreement II") for a term and revolving loan facility in an aggregate principal amount of HK\$1,000 million with final maturity date falling five years from the date of the Loan Agreement II.
- c) The Company is the borrower of a loan agreement entered into on 6 September 2021 (the "Loan Agreement III") for a term and revolving loan facility in an aggregate principal amount of HK\$600 million with final maturity date falling five years from the date of the Loan Agreement III.
- d) The Company is the borrower of a loan agreement entered into on 29 April 2022 (the "Loan Agreement IV") for a term and revolving loan facility in an aggregate principal amount of HK\$2,400 million with final maturity date falling five years from the date of the Loan Agreement IV.

Under the Loan Agreement I, Loan Agreement II, Loan Agreement III and Loan Agreement IV (collectively, the "Loan Agreements"), among others, an event of default is triggered when the existing largest shareholder of the Company (together with his associate(s)) holding the largest shareholding (direct or indirect) in the Company on the date of the respective Loan Agreements ceases to be the Company's largest shareholder at any time during the term of the respective Loan Agreements unless the situation can be remedied within a prescribed timeframe pursuant to the respective Loan Agreements.

In the Company's case, 816,702,249 shares (representing approximately 54.98% of the Company's issued share capital as at the date of this interim report) are owned by corporate trustees of certain, but not identical, discretionary trusts of which members of the classes of discretionary beneficiaries include the late Dr CHA Chi Ming's issue are together treated as the existing largest shareholder collectively holding the largest shareholding in the Company. This has been the continuing status since the signing of each of the Loan Agreements.

CONTINUING DISCLOSURE REQUIREMENTS UNDER RULES 13.20 AND 13.22 OF CHAPTER 13 OF THE LISTING RULES

In accordance with the requirements of rules 13.20 and 13.22 of Chapter 13 of the Listing Rules, the following were the details of financial assistances and guarantees given for facilities granted to affiliated companies of the Company as at 30 September 2024 pursuant to rules 13.13 and 13.16 thereof:

- a) A joint venture company, Gainwick Limited (“Gainwick”), which indirectly owned by the Company (effective shareholding interests of 40%) and Hysan Development Company Limited (“Hysan”, effective shareholding interest of 60%), was formed for the purpose of a residential property development in Tai Po, New Territories. As at 30 September 2024, the Company in proportion to its effective shareholding interests in Gainwick provided Gainwick with HK\$1,831.9 million advances in the form of unsecured with no fixed terms of repayment, in which HK\$80.0 million as working capital loan is charged with an interest rate of 2% per annum over 1-month Hong Kong Interbank Offered Rate (“HIBOR”) whereas the remaining advances are interest-free.

In addition, for purpose of provision of mortgage loan financing to the purchasers of the development and for working capital purpose, the Group provided advances to Gainwick Mortgage Limited (“GML”), in which the Group and Hysan hold indirectly 40% and 60% respective effective shareholding interests. As at 30 September 2024, the Group advanced HK\$98.2 million to GML and the advances are unsecured with no fixed terms of repayment, and at an interest rate of 2% per annum over 1-month HIBOR.

On 27 December 2023, the Company also provided guarantee for the principal amount up to HK\$1,000 million in favour of a syndicate of financial institutions in Hong Kong as a security for Gainwick’s obligation under the banking facilities granted to Gainwick by the financial institutions (the “Guarantee”) to refinance the outstanding amount of the indebtedness of Gainwick owed under the facility agreement dated 26 May 2017 which was matured on 26 February 2024 and partially refinance the shareholders’ advance made to Gainwick. The interest rate for the banking facilities is a sum of HIBOR plus 1.15% per annum and relevant interest period (one, two or three months or any other period agreed between Gainwick and the financial institutions). Further details of the repayment terms and security of the Guarantee are disclosed in the announcement of the Company dated 27 December 2023. As at 30 September 2024, the banking facilities utilised by Gainwick in proportionate of 40% which is secured by guarantee given by the Company amounted to HK\$654.0 million.

- b) As at 30 September 2024, the Group advanced to Dazhongli Properties Limited and its subsidiaries (“Dazhongli group”) an aggregate amount of HK\$4,440.3 million. Dazhongli group is engaged in the operation of investment properties and hotel properties in Jing’an District, Shanghai, the People’s Republic of China in which the Group has 50% interest. The advances were provided by the Group in the form of equity and loans in proportion to its shareholding interest therein, for the purpose of financing the development expenditure of Dazhongli group. The advances are unsecured, non-interest bearing and have no fixed terms of repayment.
- c) As at 30 September 2024, the Group also advanced to and provided guarantees for other several affiliated companies an aggregate amount of HK\$670.1 million. The Group has interests ranging from 31% to 50% in these affiliated companies.

As at 30 September 2024, the aggregate amount of advances provided to and guarantees given for these affiliated companies by the Group amounted to HK\$7,694.5 million representing 17.9% of the consolidated total assets of the Group of HK\$43,029.2 million as at 30 September 2024.

Other Information

A pro forma combined statement of financial position of these affiliated companies and the Group's attributable interests in these affiliated companies as at 30 September 2024 were as follows:

	Pro forma combined statement of financial position HK\$'M	The Group's attributable interest HK\$'M
Non-current assets	25,376.1	12,660.5
Current assets	7,248.0	2,995.4
Current liabilities	(16,309.0)	(7,581.5)
Net current liabilities	(9,061.0)	(4,586.1)
Non-current liabilities	(10,736.3)	(4,883.1)
Shareholders' surplus	5,578.8	3,191.3

REVIEW OF INTERIM REPORT

The interim results of the Group for the Period have not been audited, but have been reviewed by the Audit Committee of the Company and the Group's Auditor, Messrs PricewaterhouseCoopers.

On behalf of the Board
CHA Mou Zing Victor
Executive Chairman

Hong Kong
18 November 2024

Report on Review of Condensed Consolidated Financial Statements



羅兵咸永道

TO THE BOARD OF DIRECTORS OF HKR INTERNATIONAL LIMITED

香港興業國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements set out on pages 19 to 44, which comprise the condensed consolidated statement of financial position of HKR International Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2024 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed consolidated financial statements 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 condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 18 November 2024

Condensed Consolidated Statement of Profit or Loss

For the Six Months Ended 30 September 2024

	NOTES	For the six months ended 30 September	
		2024 HK\$'M (unaudited)	2023 HK\$'M (unaudited)
Revenue	3	852.5	3,157.1
Cost of sales		(553.1)	(2,046.4)
Gross profit		299.4	1,110.7
Other income		71.3	81.2
Other gains and losses		(28.7)	(177.2)
Selling, administrative and other operating expenses		(318.1)	(398.1)
Change in fair value and gains on disposals of investment properties			
Realised gains on disposals		–	0.7
Unrealised losses		(400.5)	(83.7)
Finance costs	4	(210.4)	(189.9)
Share of results of associates		(0.1)	(0.1)
Share of results of joint ventures		96.8	117.9
(Loss)/profit before taxation	5	(490.3)	461.5
Taxation	6	(49.7)	(345.9)
(Loss)/profit for the period		(540.0)	115.6
(Loss)/profit for the period attributable to:			
Owners of the Company	7	(474.3)	117.7
Non-controlling interests		(65.7)	(2.1)
		(540.0)	115.6
		HK cents	HK cents
(Loss)/earnings per share	9		
Basic		(31.9)	7.9
Diluted		(31.9)	7.9

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months Ended 30 September 2024

	For the six months ended 30 September	
	2024 HK\$'M (unaudited)	2023 HK\$'M (unaudited)
(Loss)/profit for the period	(540.0)	115.6
Other comprehensive (expense)/income:		
<i>Items that will not be reclassified to profit or loss</i>		
Investments in equity instruments measured at fair value through other comprehensive income:		
Fair value changes during the period	(2.8)	(4.5)
Deferred tax arising from fair value changes	0.1	–
	(2.7)	(4.5)
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences arising from a foreign joint venture	74.9	(363.7)
Exchange differences arising from translation of other foreign operations	247.7	(379.0)
	322.6	(742.7)
Other comprehensive income/(expense) for the period, net of tax	319.9	(747.2)
Total comprehensive expense for the period	(220.1)	(631.6)
Total comprehensive expense attributable to:		
Owners of the Company	(154.4)	(629.5)
Non-controlling interests	(65.7)	(2.1)
	(220.1)	(631.6)

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	NOTES	30 September 2024 HK\$'M (unaudited)	31 March 2024 HK\$'M (audited)
Non-current assets			
Investment properties	10	13,919.2	13,843.2
Property, plant and equipment	11	2,669.8	2,635.5
Intangible assets		7.8	8.8
Right-of-use assets	12	66.7	70.7
Interests in associates		–	–
Interests in joint ventures	13	10,241.7	9,908.1
Properties held for development for sale		3,182.5	3,398.5
Equity instruments measured at fair value through other comprehensive income		15.2	11.5
Financial assets at fair value through profit or loss		406.6	423.9
Investments in debt instruments measured at amortised cost		22.9	11.5
Other assets		301.7	325.2
Deferred tax assets		91.6	58.4
		30,925.7	30,695.3
Current assets			
Inventories		40.3	39.2
Properties held for sale		1,141.2	1,405.5
Properties under development for sale		8,044.8	7,261.8
Trade receivables	14	52.8	46.1
Deposits, prepayments and other receivables		333.7	360.4
Loan to a joint venture		–	119.4
Amounts due from associates		4.1	4.1
Amounts due from joint ventures		169.7	167.3
Investments in debt instruments measured at amortised cost		22.9	57.3
Taxation recoverable		65.8	62.5
Bank balances and cash	15	2,228.2	1,605.8
		12,103.5	11,129.4
Current liabilities			
Trade payables, provision and accrued charges	16	1,095.1	1,111.7
Deposits received and other financial liabilities		157.4	160.5
Contract liabilities	17	704.8	97.1
Bank and other loans due within one year	18	5,983.3	3,744.1
Lease liabilities		4.1	6.3
Taxation payable		241.2	239.1
		8,185.9	5,358.8
Net current assets		3,917.6	5,770.6
Total assets less current liabilities		34,843.3	36,465.9

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	NOTES	30 September 2024 HK\$'M (unaudited)	31 March 2024 HK\$'M (audited)
Non-current liabilities			
Contract liabilities	17	49.5	226.5
Bank and other loans due after one year	18	5,588.7	6,883.1
Lease liabilities		41.2	42.2
Other liabilities due after one year	19	2,789.3	2,735.3
Deferred tax liabilities		442.5	431.9
		8,911.2	10,319.0
		25,932.1	26,146.9
Capital and reserves			
Share capital	20	371.3	371.3
Reserves		22,837.9	22,987.0
Equity attributable to owners of the Company		23,209.2	23,358.3
Non-controlling interests		2,722.9	2,788.6
		25,932.1	26,146.9

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 September 2024

	Attributable to owners of the Company											
	Share capital HK\$/M	Share accumulated profits HK\$/M	Investment property revaluation reserve HK\$/M (note a)	Share premium HK\$/M	Share options reserve HK\$/M	Asset revaluation reserve HK\$/M	Investment revaluation reserve HK\$/M	Exchange reserve HK\$/M	Capital redemption reserve HK\$/M (note b)	Sub-total HK\$/M	Non-controlling interests HK\$/M	Total HK\$/M
At 31 March 2024 (audited)	371.3	13,629.4	8,133.4	1,537.9	56.7	30.1	(59.7)	(343.9)	3.1	23,358.3	2,788.6	26,146.9
Loss for the period	-	(474.3)	-	-	-	-	-	-	-	(474.3)	(65.7)	(540.0)
Other comprehensive (expense)/income:												
Exchange differences arising from a foreign joint venture	-	-	-	-	-	-	-	74.9	-	74.9	-	74.9
Exchange differences arising from translation of other foreign operations	-	-	-	-	-	-	-	247.7	-	247.7	-	247.7
Fair value changes on investments in equity instruments measured at fair value through other comprehensive income, net of deferred tax	-	-	-	-	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Total comprehensive (expense)/income for the period	-	(474.3)	-	-	-	-	(2.7)	322.6	-	(154.4)	(65.7)	(220.1)
Transactions with owners:												
Recognition of equity-settled share-based payments	-	-	-	-	5.3	-	-	-	-	5.3	-	5.3
Share options lapsed	-	0.2	-	-	(0.2)	-	-	-	-	-	-	-
Others:												
Transfer to investment property revaluation reserve relating to unrealised net fair value loss during the period	-	321.6	(321.6)	-	-	-	-	-	-	-	-	-
At 30 September 2024 (unaudited)	371.3	13,476.9	7,811.8	1,537.9	61.8	30.1	(62.4)	(21.3)	3.1	23,209.2	2,722.9	25,932.1

Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 30 September 2024

	Attributable to owners of the Company											
	Share capital HK\$'M	Accumulated profits HK\$'M	Investment property revaluation reserve HK\$'M (note a)	Share premium HK\$'M	Share options reserve HK\$'M	Asset revaluation reserve HK\$'M	Investment revaluation reserve HK\$'M	Exchange reserve HK\$'M	Capital redemption reserve HK\$'M (note b)	Sub-total HK\$'M	Non- controlling interests HK\$'M	Total HK\$'M
At 31 March 2023 (audited)	371.3	13,823.3	8,421.4	1,537.9	51.9	30.1	(46.9)	205.8	3.1	24,397.9	2,873.0	27,270.9
Profit/(loss) for the period	-	117.7	-	-	-	-	-	-	-	117.7	(2.1)	115.6
Other comprehensive expense:												
Exchange differences arising from foreign joint ventures	-	-	-	-	-	-	-	(363.7)	-	(363.7)	-	(363.7)
Exchange differences arising from translation of other foreign operations	-	-	-	-	-	-	-	(379.0)	-	(379.0)	-	(379.0)
Fair value changes on investments in equity instruments measured at fair value through other comprehensive income, net of deferred tax	-	-	-	-	-	-	(4.5)	-	-	(4.5)	-	(4.5)
Total comprehensive income/(expense) for the period	-	117.7	-	-	-	-	(4.5)	(742.7)	-	(629.5)	(2.1)	(631.6)
Transactions with owners:												
Dividend paid	-	(14.9)	-	-	-	-	-	-	-	(14.9)	-	(14.9)
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(5.6)	(5.6)
Share options lapsed	-	0.6	-	-	(0.6)	-	-	-	-	-	-	-
Others:												
Transfer to investment property revaluation reserve relating to unrealised net fair value loss during the period	-	74.5	(74.5)	-	-	-	-	-	-	-	-	-
Transfer from investment property revaluation reserve relating to net fair value gain realised during the period	-	10.1	(10.1)	-	-	-	-	-	-	-	-	-
At 30 September 2023 (unaudited)	371.3	14,011.3	8,336.8	1,537.9	51.3	30.1	(51.4)	(536.9)	3.1	23,753.5	2,865.3	26,618.8

Notes:

- (a) Investment property revaluation reserve represents the Group's accumulated post-tax unrealised net fair value gain on the investment properties of the subsidiaries and a joint venture recognised in profit or loss, which is transferred from accumulated profits to investment property revaluation reserve. Upon disposal of the relevant investment property, the relevant unrealised net fair value gain will be transferred to accumulated profits.
- (b) Capital redemption reserve is the amount equivalent to the nominal value of the shares cancelled upon repurchase of the Company's shares which was transferred from accumulated profits. The reserve may be applied by the Company in paying up its unissued shares to be allotted to members of the Company as fully paid bonus shares in accordance with the articles of association of the Company and the Companies Law of the Cayman Islands.

Condensed Consolidated Statement of Cash Flows

For the Six Months Ended 30 September 2024

	For the six months ended 30 September	
	2024 HK\$'M (unaudited)	2023 HK\$'M (unaudited)
Net cash from/(used in) operating activities	96.0	(1,700.8)
Investing activities		
Repayment of loans from joint ventures	126.3	68.0
Proceeds from disposal of property, plant and equipment	0.1	1.1
Redemption of investments in debt instruments measured at amortised cost	41.9	0.4
Proceeds from disposal of financial assets at fair value through profit or loss	12.1	10.4
Proceeds from disposal of investment properties	–	15.6
Additions of property, plant and equipment	(75.1)	(84.0)
Additions of intangible assets	–	(11.0)
Additions of investment properties	(22.2)	(123.6)
Loans to joint ventures	(160.0)	(130.9)
Additions of investments in debt instruments measured at amortised cost	(13.1)	–
Other investing cash flows	30.4	29.2
Net cash used in investing activities	(59.6)	(224.8)
Financing activities		
New bank and other loans raised	4,133.0	4,300.0
Repayment of bank and other loans	(3,193.0)	(5,135.0)
Dividend paid	–	(14.9)
Dividend paid to a non-controlling shareholder	–	(5.6)
Other financing cash flows	(331.7)	(293.8)
Net cash from/(used in) financing activities	608.3	(1,149.3)
Net increase/(decrease) in cash and cash equivalents	644.7	(3,074.9)
Cash and cash equivalents at beginning of the period	1,605.8	6,212.6
Effect of foreign exchange rate changes	(22.3)	(145.5)
Cash and cash equivalents at end of the period	2,228.2	2,992.2
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	2,228.2	2,992.2

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

1. BASIS OF PREPARATION

The condensed consolidated financial statements 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 (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the preparation of the condensed consolidated financial statements for the six months ended 30 September 2024 are consistent with those set out in the annual report for the year ended 31 March 2024 except as described in note 2(a) below.

(a) AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) ADOPTED BY THE GROUP

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs and interpretation issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

(b) NEW AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Certain new and amendments to standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amendments to standards and interpretations are not expected to have a material impact on the Group’s condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

3. REVENUE AND SEGMENT INFORMATION

The Group is organised into five operating divisions: property development, property investment, transportation services and property management, hotel operations and leisure businesses. Each of the operating divisions represents an operating and reportable segment.

DISAGGREGATION OF REVENUE

	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	Total HK\$'M
For the six months ended 30 September 2024						
Types of goods or services:						
Sales of properties	175.4	–	–	–	–	175.4
Hotel revenue	–	–	–	99.3	–	99.3
Other services rendered	11.7	49.1	140.9	–	152.3	354.0
Revenue from contracts with customers	187.1	49.1	140.9	99.3	152.3	628.7
Rental income	–	220.6	2.4	–	0.8	223.8
Consolidated revenue, as reported	187.1	269.7	143.3	99.3	153.1	852.5
Geographical markets:						
Hong Kong	90.5	258.1	143.3	60.2	153.1	705.2
Mainland China	96.6	10.3	–	–	–	106.9
Japan	–	1.3	–	–	–	1.3
South East Asia	–	–	–	39.1	–	39.1
Total	187.1	269.7	143.3	99.3	153.1	852.5
Timing of revenue recognition:						
At a point in time	175.4	–	130.9	32.6	88.8	427.7
Over time	11.7	49.1	10.0	66.7	63.5	201.0
Total	187.1	49.1	140.9	99.3	152.3	628.7

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	Total HK\$'M
For the six months ended						
30 September 2023						
Types of goods or services:						
Sales of properties	2,457.2	–	–	–	–	2,457.2
Hotel revenue	–	–	–	118.5	–	118.5
Other services rendered	29.4	53.5	125.6	–	142.6	351.1
Revenue from contracts with customers	2,486.6	53.5	125.6	118.5	142.6	2,926.8
Rental income	–	228.5	1.0	–	0.8	230.3
Consolidated revenue, as reported	2,486.6	282.0	126.6	118.5	143.4	3,157.1
Geographical markets:						
Hong Kong	151.5	271.0	126.6	87.5	143.4	780.0
Mainland China	2,173.4	10.3	–	–	–	2,183.7
Japan	–	0.7	–	–	–	0.7
South East Asia	161.7	–	–	31.0	–	192.7
Total	2,486.6	282.0	126.6	118.5	143.4	3,157.1
Timing of revenue recognition:						
At a point in time	2,468.6	–	115.5	44.2	81.6	2,709.9
Over time	18.0	53.5	10.1	74.3	61.0	216.9
Total	2,486.6	53.5	125.6	118.5	142.6	2,926.8

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating and reportable segments for the period under review:

	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	Total HK\$'M
For the six months ended 30 September 2024						
REVENUE						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	584.2	1,097.2	143.3	99.3	153.1	2,077.1
Excluding revenue of an associate and joint ventures	(397.1)	(827.5)	–	–	–	(1,224.6)
Consolidated revenue, as reported	187.1	269.7	143.3	99.3	153.1	852.5
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (note a)	(326.5)	411.5	16.6	(30.7)	(2.0)	68.9
Excluding realised results of associates and joint ventures not shared by the Group	86.2	(126.4)	–	–	–	(40.2)
Results attributable to the Group	(240.3)	285.1	16.6	(30.7)	(2.0)	28.7
Unallocated other income						2.1
Unallocated corporate expenses						(74.5)
Finance costs and corporate level exchange difference						(123.4)
Net unrealised losses on fair value change of investment properties (note b)						(400.5)
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						27.6
Loss for the period						(540.0)
Non-controlling shareholders' share of loss for the period						65.7
Loss for the period attributable to owners of the Company						(474.3)

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

	Property development HK\$'M	Property investment HK\$'M	Transportation services and property management HK\$'M	Hotel operations HK\$'M	Leisure businesses HK\$'M	Total HK\$'M
For the six months ended 30 September 2023						
REVENUE						
Segment revenue – sales to external customers derived by the Group, an associate and joint ventures	2,839.9	1,173.9	126.6	118.5	143.4	4,402.3
Excluding revenue of an associate and joint ventures	(353.3)	(891.9)	–	–	–	(1,245.2)
Consolidated revenue, as reported	2,486.6	282.0	126.6	118.5	143.4	3,157.1
RESULTS						
Segment results – total realised results of the Group, associates and joint ventures (note a)	180.9	439.2	15.0	(15.2)	(12.0)	607.9
Excluding realised results of associates and joint ventures not shared by the Group	33.6	(137.0)	–	–	–	(103.4)
Results attributable to the Group	214.5	302.2	15.0	(15.2)	(12.0)	504.5
Unallocated other expenses						(21.8)
Unallocated corporate expenses						(104.9)
Finance costs and corporate level exchange difference						(181.0)
Net unrealised losses on fair value change of investment properties (note b)						(83.7)
Net unrealised gains on fair value change of investment properties attributable to the Group's interest in a joint venture, net of deferred tax						2.5
Profit for the period						115.6
Non-controlling shareholders' share of loss for the period						2.1
Profit for the period attributable to owners of the Company						117.7

Notes:

- The segment results of the Group include the entire results of associates and joint ventures, excluding the net unrealised gains or losses on fair value change of investment properties net of deferred tax arising from change in fair value.
- The net unrealised losses on fair value change of investment properties for the six months ended 30 September 2024 of HK\$400.5 million (six months ended 30 September 2023: HK\$83.7 million) represented the unrealised losses on fair value change of investment properties of HK\$400.5 million (six months ended 30 September 2023: HK\$83.7 million) net of deferred tax charge arising from change in fair value of HK\$nil (six months ended 30 September 2023: HK\$nil).

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

4. FINANCE COSTS

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Interests on		
Bank and other loans	315.6	282.5
Advance from a non-controlling shareholder	65.7	62.6
Lease liabilities	0.9	1.1
Bank and other loans arrangement fees	15.2	16.0
	397.4	362.2
Less: Amounts included in the qualifying assets (note)	(187.0)	(172.3)
	210.4	189.9

Note:

To the extent funds are borrowed generally and used for the purpose of financing certain properties under development for sale and assets under construction, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 5.94% (six months ended 30 September 2023: 5.78%) per annum.

5. (LOSS)/PROFIT BEFORE TAXATION

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
(Loss)/profit before taxation has been arrived at after (crediting)/charging:		
Bank and other interest income	(39.5)	(41.9)
Net gain on disposal of property, plant and equipment	–	(0.2)
Net exchange (gain)/loss	(53.8)	76.7
Depreciation on property, plant and equipment	89.9	87.7
Depreciation on right-of-use assets	4.2	4.0
Amortisation of intangible assets	1.1	1.1
Fair value change of financial assets at fair value through profit or loss ("FVTPL")	4.3	16.6
Impairment loss (reversed)/recognised on investment in debt instruments measured at amortised cost	(0.2)	9.9
Impairment loss on properties held for sale	78.1	–
Impairment loss on properties under development for sale	2.0	69.7
Government grants and subsidies	(15.9)	(23.0)

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

6. TAXATION

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Hong Kong Profits Tax calculated at 16.5% of the estimated assessable profit for the period	23.7	25.3
Overseas tax calculated at rates prevailing in respective jurisdictions	56.5	63.9
Land appreciation tax ("LAT")	(5.4)	158.3
	74.8	247.5
Deferred taxation for the period	(25.1)	98.4
	49.7	345.9

According to the requirements of the Provisional Regulations of the People's Republic of China (the "PRC") on LAT effective from 1 January 1994 and amended on 8 January 2011, and the Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all gains arising from the sale or transfer of real estate in the PRC with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including payments made for acquisition of land use rights, costs and expenses for the development of the land or for construction of new buildings and supporting facilities, or the assessed value for old buildings and structures, tax payable relating to transfer of the real estate and other deductible items prescribed by the Ministry of Finance.

7. (LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

(Loss)/profit for the period attributable to owners of the Company comprises:

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
(a) Net unrealised (losses)/gains on change in fair value of investment properties during the period		
– The Group	(400.5)	(83.7)
– Attributable to non-controlling interests	51.3	6.7
	(349.2)	(77.0)
– Joint venture, net of deferred tax	27.6	2.5
	(321.6)	(74.5)
(b) (Losses)/profits excluding net unrealised gains or losses on change in fair value of investment properties	(152.7)	192.2
Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the period	–	10.1
	(152.7)	202.3
Sub-total	(474.3)	127.8
Less: Net accumulated gains on change in fair value of investment properties, net of deferred tax recognised in profit or loss in prior years for properties disposed of during the period	–	(10.1)
(Loss)/profit for the period attributable to owners of the Company	(474.3)	117.7

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

8. DIVIDENDS

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
No final dividend paid for the financial year ended 31 March 2024 (six months ended 30 September 2023: for the financial year ended 31 March 2023 of HK1 cent per share)	–	14.9

The directors of the Company did not declare any interim dividend for the six months ended 30 September 2024 and 2023.

9. (LOSS)/EARNINGS PER SHARE

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

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
(Loss)/earnings		
(Loss)/earnings for the purpose of calculating basic and diluted (loss)/earnings per share	(474.3)	117.7

	For the six months ended 30 September	
	2024	2023
Number of shares		
Number of ordinary shares in issue during the period for the purpose of calculating basic (loss)/earnings per share	1,485,301,803	1,485,301,803
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options issued by the Company	–	–
Weighted average number of ordinary shares for the purpose of calculating diluted (loss)/earnings per share	1,485,301,803	1,485,301,803

Diluted (loss)/earnings per share for the six months ended 30 September 2024 and 2023 was the same as the basic (loss)/earnings per share since the share options had anti-dilutive effect.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

10. INVESTMENT PROPERTIES

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Fair value		
At beginning of the period	13,843.2	14,157.2
Exchange translation differences	52.3	(49.0)
Additions	22.2	123.6
Change in fair value and gains on disposals recognised in profit or loss		
– Realised gains on disposals	–	0.7
– Unrealised losses	(400.5)	(83.7)
Disposals	–	(15.6)
Transfer from properties held for development for sale	333.6	–
Transfer from properties held for sale	68.4	–
Adjustment of cost for renovation of certain investment property	–	(1.9)
At end of the period	13,919.2	14,131.3

For the six months ended 30 September 2023, the Group disposed of certain investment properties with original cost of acquisition of HK\$4.8 million for cash proceeds of HK\$15.6 million. Accumulated gains on change in fair value recognised in prior years amounting to HK\$10.1 million and a realised gain on disposal of HK\$0.7 million was recognised during the six months ended 30 September 2023.

The investment properties were revalued at 30 September 2024, giving rise to an unrealised fair value loss of HK\$400.5 million (six months ended 30 September 2023: HK\$83.7 million) which has been recognised in the condensed consolidated statement of profit or loss for the period.

In estimating the fair value of the properties, the highest and best use of the properties is the current use.

The fair values of the Group's investment properties at 30 September 2024 and 31 March 2024 have been derived by the following independent firms of professional valuers with appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

Name of valuer	Location of investment properties
Cushman & Wakefield Limited	Hong Kong and mainland China
Land Coordinating Research Inc.	Japan
N&A Appraisal Company Limited	Thailand

The fair value is determined by using (a) income capitalisation approach which is calculated by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential; or (b) direct comparison approach which assumes sale of property interest in its existing state by making reference to comparable sales transactions as available in the relevant market.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

11. PROPERTY, PLANT AND EQUIPMENT

Details of movements of property, plant and equipment are set out below:

	For the six months ended	
	2024	2023
	HK\$'M	HK\$'M
Net carrying value		
At beginning of the period	2,635.5	2,648.1
Exchange translation differences	49.2	(31.7)
Additions	75.1	84.0
Disposals	(0.1)	(0.9)
Depreciation	(89.9)	(87.7)
At end of the period	2,669.8	2,611.8

12. RIGHT-OF-USE ASSETS

During the six months ended 30 September 2024 and 2023, there is no new lease agreement entered by the Group.

13. INTERESTS IN JOINT VENTURES

The interests in joint ventures include the Group's 50% equity interest in Dazhongli Properties Limited ("Dazhongli"). An analysis is as follows:

	30 September	31 March
	2024	2024
	HK\$'M	HK\$'M
Interests in:		
Dazhongli	8,352.2	8,123.0
Other joint ventures	1,889.5	1,785.1
	10,241.7	9,908.1

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

DAZHONGLI

Dazhongli and its subsidiaries ("Dazhongli group") are engaged in the operation of investment properties and hotel properties in Jing'an District, Shanghai, the PRC.

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Cost of unlisted shares	0.1	0.1
Cumulative exchange differences	(21.3)	(96.2)
Share of post-acquisition profits	3,949.1	3,795.2
	3,927.9	3,699.1
Loans to Dazhongli		
– Non-interest bearing (note a)	4,424.3	4,423.9
– Interest bearing (note b)	–	119.4
	8,352.2	8,242.4
Amount included under current assets	–	(119.4)
	8,352.2	8,123.0

Notes:

- (a) The loans to Dazhongli are unsecured, non-interest bearing and repayable on demand. The Group has no intention to exercise its right to demand repayment of these loans within the next twelve months from the end of the reporting period. The directors of the Company believe the settlement of these loans is not likely to occur in the foreseeable future as they, in substance, form part of net investment in Dazhongli group as the proceeds of the loans have been substantially used by Dazhongli to inject as registered capital into its PRC subsidiary. Accordingly, the amount is classified as non-current asset and included in the Group's interests in joint ventures for the purpose of presentation in the condensed consolidated statement of financial position.
- (b) The loans to Dazhongli are unsecured and interest bearing at 1.71% per annum. During the six months ended 30 September 2024, the loans were fully settled.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

The summarised consolidated financial information in respect of Dazhongli group as at 30 September 2024 and 31 March 2024 is set out below. The joint venture is accounted for using the equity method in these condensed consolidated financial statements.

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Non-current assets		
Investment properties	23,248.0	22,978.8
Property, plant and equipment	1,612.8	1,635.4
Other non-current assets	42.5	48.9
	24,903.3	24,663.1
Current assets		
Bank balances and cash	703.3	822.6
Other current assets	256.4	246.5
	959.7	1,069.1
Current liabilities		
Bank loans – secured	221.8	220.6
Loans from shareholders	8,896.1	9,131.5
Other current liabilities	1,292.9	1,383.8
	10,410.8	10,735.9
Net current liabilities	(9,451.1)	(9,666.8)
Total assets less current liabilities	15,452.2	14,996.3
Non-current liabilities		
Bank loans – secured	4,998.0	5,078.4
Deferred tax liabilities	2,520.0	2,420.9
Other non-current liabilities	78.3	98.7
	7,596.3	7,598.0
Net assets	7,855.9	7,398.3
Group's share of net assets	3,927.9	3,699.1

Note:

The investment properties were measured at 30 September 2024 at fair value of HK\$23,248.0 million (equivalent to RMB20,964.8 million) (31 March 2024: HK\$22,978.8 million (equivalent to RMB20,831.5 million)) which was based on the valuation conducted by Cushman & Wakefield Limited, who has appropriate qualification and recent experiences in the valuation of similar properties in the relevant locations. The valuation of investment properties was determined by using income capitalisation approach. The income capitalisation approach was calculated by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential. The fair value measurement of investment properties was valued under Level 3 fair value measurement, which was measured based on the significant unobservable inputs including the estimated market rent and capitalisation rate. The investment properties are held within a business model of the joint venture whose business objective is to consume substantively all of the economic benefits embodied in the investment properties over time, rather than through sale.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

14. TRADE RECEIVABLES

The credit periods allowed by the Group to its customers are dependent on the general practices in the industries concerned. For property sales, sales terms vary for each property project and are determined with reference to the prevailing market conditions. Property rentals are receivable in advance. Payments for clubs and hotel services are receivable on demand.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the payment due date at the end of the reporting period:

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Not yet due	10.6	12.7
Overdue:		
0–60 days	24.9	22.6
61–90 days	4.3	3.4
Over 90 days	13.0	7.4
	52.8	46.1

15. BANK BALANCES AND CASH

Bank balances and cash included restricted bank balances for construction of pre-sale properties of HK\$610.5 million placed in designated bank accounts as at 30 September 2024, and will be released in accordance with certain construction progress milestones.

16. TRADE PAYABLES, PROVISION AND ACCRUED CHARGES

As at 30 September 2024, included in trade payables, provision and accrued charges are trade payables of HK\$116.0 million (31 March 2024: HK\$87.4 million), an aged analysis presented based on the payment due date at the end of the reporting period is as follows:

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Not yet due	95.6	62.8
Overdue:		
0–60 days	18.0	20.8
61–90 days	0.2	0.7
Over 90 days	2.2	3.1
	116.0	87.4

The average credit period on purchases of goods and payment for subcontractor works is 90 days.

As at 30 September 2024, the trade payables, provision and accrued charges also included (i) construction cost accruals of HK\$301.6 million (31 March 2024: HK\$335.4 million); and (ii) a provision for certain construction obligations of HK\$349.5 million (31 March 2024: HK\$349.5 million). In the course of the property development activities, the Group is obliged to construct certain common or public facilities within the development projects in accordance with the development plans approved by the relevant authorities. Provision for such construction costs has been made when a reliable estimate of the obligation can be made and the amount of this obligation as at 30 September 2024 is HK\$349.5 million (31 March 2024: HK\$349.5 million).

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

17. CONTRACT LIABILITIES

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Property sale deposits	649.5	224.8
Advance payments from customers	104.8	98.8
	754.3	323.6
Less: Amount included under current liabilities	(704.8)	(97.1)
Amount included under non-current liabilities	49.5	226.5

18. BANK AND OTHER LOANS

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Bank loans (note a)	11,273.4	10,328.7
Bonds and notes (note b)	298.6	298.5
	11,572.0	10,627.2
Less: Amount included under current liabilities (including bank loans with a repayable on demand clause)	(5,983.3)	(3,744.1)
Amount included under non-current liabilities	5,588.7	6,883.1
Bank and other loans are repayable:		
On demand or within one year	5,983.3	3,744.1
Between one and two years	1,298.1	2,888.2
Between two and five years	3,992.0	3,696.4
Over five years	298.6	298.5
	11,572.0	10,627.2
Secured	–	–
Unsecured	11,572.0	10,627.2
	11,572.0	10,627.2
Bank loans that contain a repayable on demand clause (shown under current liabilities) and the scheduled payment is (note c):		
Within one year	600.0	100.0

Notes:

- As at 30 September 2024, the Group's bank loans carried interest at an average margin of 1.05% (31 March 2024: 1.02%) plus Hong Kong Interbank Offered Rate ("HIBOR"), other relevant interbank offered rates or other benchmark interest rates per annum.
- On 10 April 2013, the Company established a US\$1.0 billion Medium Term Note Programme ("MTN Programme"). On 25 May 2021, a 10-year Hong Kong dollar fixed rate notes in the principal amount of HK\$300 million at a coupon rate of 3.25% per annum was issued under the MTN Programme.
- The amounts due are based on scheduled payment dates set out in the respective loan agreements.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

19. OTHER LIABILITIES

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Advance from a non-controlling shareholder (note a)	2,021.8	1,956.0
Club debentures (note b)	767.5	779.3
Amount due after one year	2,789.3	2,735.3

Notes:

- (a) The amount represents an advance from a non-controlling shareholder of subsidiaries to finance operation of those subsidiaries. It is unsecured, interest bearing at 1-month HIBOR plus 2.5% per annum and not repayable within one year.
- (b) Club debentures are non-interest bearing, unsecured, redeemable on their maturity dates in 2047. These debentures are issued to members of the following clubs operated by the Group and the principal amount of the club debentures issued are as follows:

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Discovery Bay Golf Club	617.9	629.6
Discovery Bay Recreation Club	149.6	149.7
	767.5	779.3

As at 30 September 2024, the carrying amounts of club debentures at amortised cost and deferred income amounted to HK\$591.2 million (31 March 2024: HK\$596.5 million) and HK\$176.3 million (31 March 2024: HK\$182.8 million) respectively.

20. SHARE CAPITAL

	Number of shares	HK\$'M
Ordinary shares of HK\$0.25 each		
Authorised:		
At 1 April 2023, 30 September 2023, 1 April 2024 and 30 September 2024	4,000,000,000	1,000.0
Issued and fully paid:		
At 1 April 2023, 30 September 2023, 1 April 2024 and 30 September 2024	1,485,301,803	371.3

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

21. FINANCIAL GUARANTEE CONTRACTS

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Guarantee given, to the extent of the Group's proportionate share, in respect of a banking facility granted to a joint venture for the development of a project (note)	654.0	884.5

Note:

No provision for financial guarantee contracts has been recognised in the condensed consolidated financial statements as, in the opinion of the directors of the Company, the fair value of the financial guarantee on initial recognition and the amount of provision to be recognised subsequently was insignificant.

22. COMMITMENTS

	30 September 2024 HK\$'M	31 March 2024 HK\$'M
Contracted but not provided for: Capital expenditure in respect of investment properties and property, plant and equipment	47.4	67.9

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS THAT ARE MEASURED AT FAIR VALUE

Fair value measurements and valuation processes

The Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. The valuation is performed at the end of each reporting period. Where there is material change in the fair value of the assets, the cause of the fluctuations will be reported to the management of the Group.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Fair value as at		Fair value hierarchy
	30 September 2024 HK\$'M	31 March 2024 HK\$'M	
Financial assets			
Listed equity securities classified as equity instruments measured at fair value through other comprehensive income (note a)	11.0	10.2	Level 1
Debt securities at FVTPL (note b)	42.9	43.0	Level 1
Debt securities at FVTPL (note c)	–	21.0	Level 3
Unlisted equity securities classified as financial assets at FVTPL (note d)	363.7	359.9	Level 3
Unlisted equity securities classified as equity instruments measured at fair value through other comprehensive income (note e)	4.2	1.3	Level 3
	421.8	435.4	

Notes:

(a) The fair values of all listed equity securities are determined by reference to the quoted market bid prices available on the relevant exchanges in active markets as at 30 September 2024 and 31 March 2024.

(b) The fair values of the debt securities at FVTPL are determined by reference to the quoted market bid prices available on the relevant exchanges in active markets as at 30 September 2024 and 31 March 2024.

(c) The unlisted debt securities of HK\$21.0 million as at 31 March 2024 represented investment in an unquoted convertible loan to a private operating company.

The fair value of the unquoted convertible loan was taking reference to the tranches of settlement partly in form of converted share at a price based on the latest financing transaction without adjustment and partly in form of an extended straight loan adjusted by expected credit loss.

In May 2024, the unlisted debt securities were settled partly in form of a conversion of convertible loan to ordinary shares, cash repayment and an extension of straight loan.

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data as the exposure is considered insignificant to the Group.

(d) As at 30 September 2024, the unlisted equity securities represent investments in private equity funds of HK\$133.2 million (31 March 2024: HK\$141.7 million) and unquoted equity investment of HK\$230.5 million (31 March 2024: HK\$218.2 million) which are measured using valuation techniques based on inputs that can be observed in the market in addition to unobservable inputs such as company specific financial information.

In accounting for the fair value measurement of the investments in private equity funds, management has determined that the reported net asset value of the private equity funds provided by the general partners represent the fair value of the private equity funds.

For the investment in an investee, representing equity interest in an unlisted company, the fair value of the investment is determined based on the fair value of the assets and liabilities of the investee.

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data as the exposure is considered insignificant to the Group.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

- (e) The fair value of the unquoted equity investment is determined using valuation techniques including market multiples (based on the historical market multiples of comparable listed companies) and a discount factor (based on the historical correlation between multiples of the private company and comparable listed companies). The significant unobservable inputs include price-to-sales multiples of comparables, taking into account of the scale of the business of the comparables. A slight increase in the price-to-sales multiples would result in a slight increase in fair value and vice versa. An increase in the fundamental discount factor would result in a decrease in fair value and vice versa.

The fair value of the unlisted equity securities, amounting to HK\$4.2 million, is determined by calibration of price-to-sales multiples of market comparables as at 30 September 2024 to the latest financing transaction price of the underlying investment.

No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data as the exposure is considered insignificant to the Group.

There was no transfer among different levels of the fair value hierarchy in the current and prior periods.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	For the six months ended	
	2024	2023
	HK\$'M	HK\$'M
At beginning of the period	382.2	417.2
Total loss		
– in profit or loss	(6.1)	(9.8)
– in other comprehensive expense	(2.5)	(1.7)
Proceeds from disposal	(20.9)	(3.3)
Exchange translation differences	15.2	(7.2)
At end of the period	367.9	395.2

The Group determines the appropriate valuation techniques and inputs for Level 3 fair value measurements.

The Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

Notes to the Condensed Consolidated Financial Statements

For the Six Months Ended 30 September 2024

24. RELATED PARTY TRANSACTIONS

During the period, other than balances with related parties as shown in the condensed consolidated statement of financial position, the Group had significant transactions with related parties as follows:

- (a) Transactions with entities controlled by separate discretionary trusts with a substantial shareholder act as a corporate trustee. Four (2023: Four) directors of the Company are among the discretionary beneficiaries of the above trusts at the end of the reporting period.

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Rental income	1.5	1.5

- (b) Transaction with a director of the Group:

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Consultancy fee to a director	1.5	0.5

- (c) Transactions with joint ventures of the Group:

	For the six months ended 30 September	
	2024 HK\$'M	2023 HK\$'M
Management fee and other service fees from joint ventures	10.3	10.6
Interest income from joint ventures	9.0	12.6
Rental expense to a joint venture	2.3	2.0

- (d) Compensation of key management personnel:

The remuneration of key management personnel during the period amounted to HK\$19.7 million (six months ended 30 September 2023: HK\$34.1 million).

Corporate Information

公司資料

BOARD OF DIRECTORS

董事會

Mr CHA Mou Zing Victor (*Executive Chairman*)

查懋成先生(執行主席)

Ms WONG CHA May Lung Madeline

(*Non-executive Deputy Chairman*)

王查美龍女士(非執行副主席)

Mr TANG Moon Wah (*Managing Director*)

鄧滿華先生(董事總經理)

Mr LEE Ivan Wank-hay

李泓熙先生

Ms NGAN Man Ying

顏文英女士

Mr CHA Mou Daid Johnson

查懋德先生

Mr CHA Yiu Chung Benjamin

查耀中先生

Mr CHEUNG Wing Lam Linus

張永霖先生

Mr FAN Hung Ling Henry

范鴻齡先生

Ms Barbara SHIU

邵蓓蘭女士

Mr TANG Kwai Chang

鄧貴彰先生

AUDIT COMMITTEE

審核委員會

Mr TANG Kwai Chang (*Chairman*)

鄧貴彰先生(主席)

Mr CHEUNG Wing Lam Linus

張永霖先生

Ms Barbara SHIU

邵蓓蘭女士

REMUNERATION COMMITTEE

薪酬委員會

Mr CHEUNG Wing Lam Linus (*Chairman*)

張永霖先生(主席)

Mr CHA Mou Zing Victor

查懋成先生

Mr FAN Hung Ling Henry

范鴻齡先生

NOMINATION COMMITTEE

提名委員會

Mr FAN Hung Ling Henry (*Chairman*)

范鴻齡先生(主席)

Mr CHA Mou Zing Victor

查懋成先生

Ms Barbara SHIU

邵蓓蘭女士

Mr TANG Kwai Chang

鄧貴彰先生

Ms WONG CHA May Lung Madeline

王查美龍女士

CORPORATE GOVERNANCE COMMITTEE

企業管治委員會

Ms WONG CHA May Lung Madeline (*Chairman*)

王查美龍女士(主席)

Mr CHA Mou Zing Victor

查懋成先生

Mr FAN Hung Ling Henry

范鴻齡先生

Mr TANG Kwai Chang

鄧貴彰先生

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香港灣仔皇后大道東183號

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CAYMAN ISLANDS

開曼群島

Maples Corporate Services Limited

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Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL BANKERS

主要往來銀行

Bank of China (Hong Kong) Limited

中國銀行(香港)有限公司

Bank of Communications Co., Ltd.

Hong Kong Branch

交通銀行股份有限公司香港分行

China Construction Bank (Asia)

Corporation Limited

中國建設銀行(亞洲)股份有限公司

Dah Sing Bank, Limited

大新銀行有限公司

DBS Bank (Hong Kong) Limited

星展銀行(香港)有限公司

Hang Seng Bank Limited

恒生銀行有限公司

The Hongkong and Shanghai Banking

Corporation Limited

香港上海滙豐銀行有限公司

Hua Xia Bank Co., Limited Hong Kong Branch

華夏銀行香港分行

Industrial and Commercial Bank of China (Asia)

Limited

中國工商銀行(亞洲)有限公司

Industrial Bank Co., Ltd. Hong Kong Branch

興業銀行股份有限公司香港分行

Nanyang Commercial Bank, Limited

南洋商業銀行有限公司

Oversea-Chinese Banking Corporation Limited

華僑銀行有限公司

Shanghai Commercial Bank Limited

上海商業銀行有限公司

Standard Chartered Bank (Hong Kong) Limited

渣打銀行(香港)有限公司

Shanghai Pudong Development Bank Co., Ltd.

Hong Kong Branch

上海浦東發展銀行股份有限公司香港分行

The Bank of East Asia, Limited

東亞銀行有限公司

COMPANY SECRETARY

公司秘書

Ms LEUNG Wai Fan

梁慧芬女士

AUDITOR

核數師

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

羅兵咸永道會計師事務所

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註冊公眾利益實體核數師

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Mayer Brown

孖士打律師行

Reed Smith Richards Butler

禮德齊伯禮律師行

Woo Kwan Lee & Lo

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Maples and Calder

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SEHK STOCK NAME/CODE

聯交所股份名稱/股份代號

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COMMUNICATION

聯絡

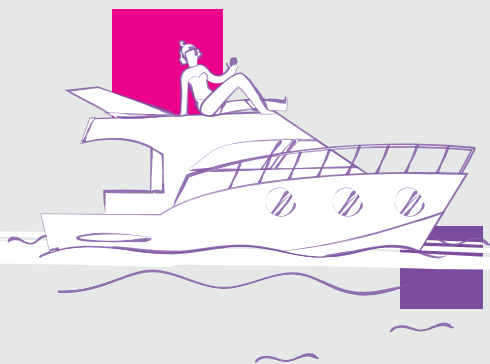
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