



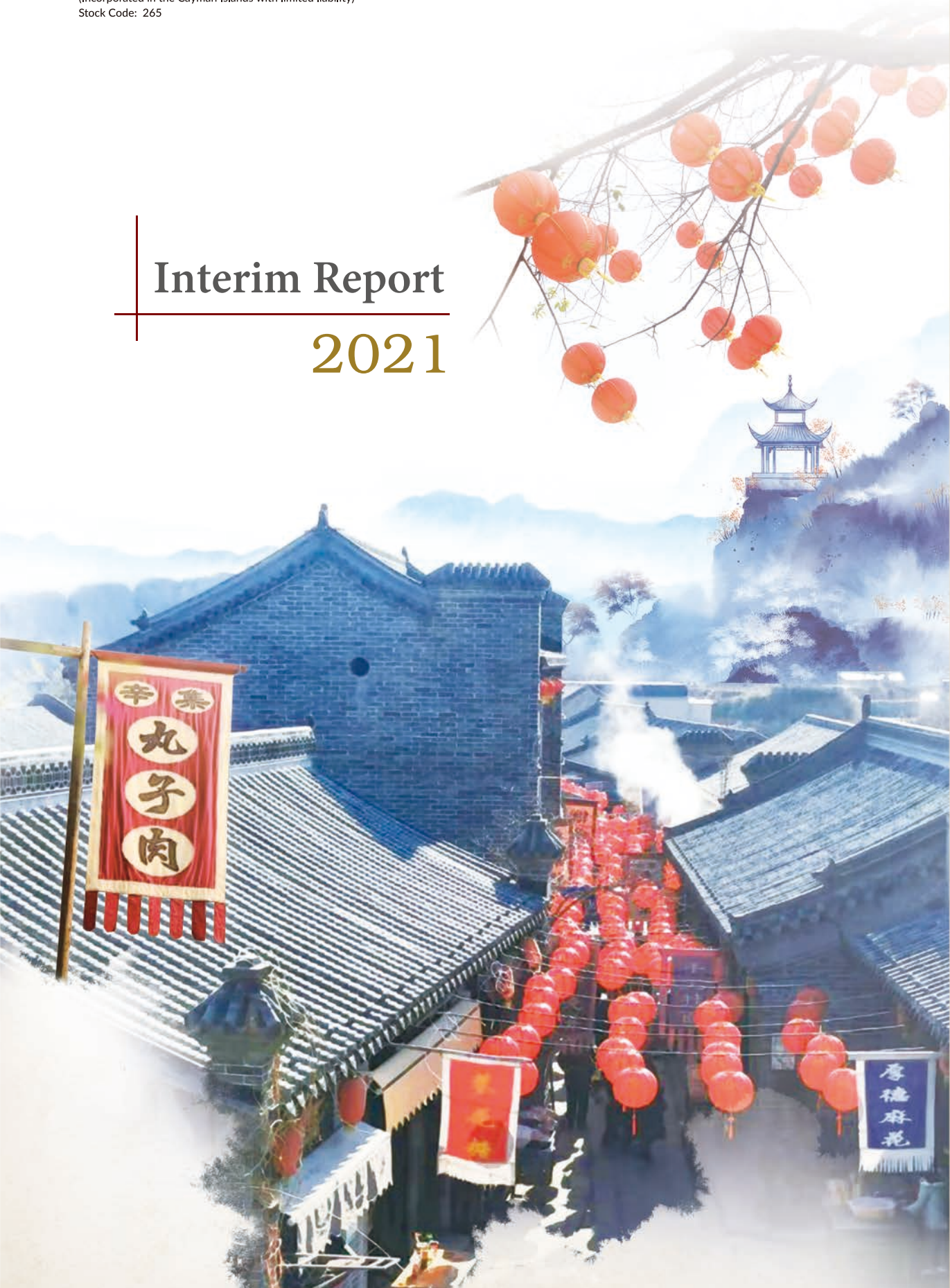
東勝旅遊
ORIENT VICTORY TRAVEL



东胜集团
ORIENT VICTORY GROUP

ORIENT VICTORY TRAVEL GROUP COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 265

Interim Report 2021





CONTENTS

2	Corporate Information
4	Management Discussion and Analysis
14	Corporate Governance and Other Information
18	Condensed Consolidated Statement of Profit or Loss
19	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
20	Condensed Consolidated Statement of Financial Position
22	Condensed Consolidated Statement of Changes in Equity
24	Condensed Consolidated Cash Flow Statement
25	Notes to the Unaudited Condensed Consolidated Financial Statements

CORPORATE INFORMATION

Board of Directors

Executive Directors

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

Non-executive Director

Ms. Song Sining

Independent Non-executive Directors

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

Audit Committee

Mr. Suei Feng-jih (*Chairman*)
Mr. He Qi
Ms. Song Sining

Remuneration Committee

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

Nomination Committee

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

Company Secretary

Mr. Ip Pui Sum (resigned on 15 January 2021)
Mr. Liu Kin Wai (appointed on 15 January 2021)

Auditor

KPMG
Public Interest Entity Auditor
registered in accordance with
the Financial Reporting Council Ordinance
8/F Prince's Building
10 Chater Road
Central
Hong Kong

CORPORATE INFORMATION

Principal Bankers

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

Registered Office

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

Principal Place of Business in Hong Kong

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

Hong Kong Share Registrar and Transfer Office

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

Stock Code

265

Website

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

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “Board”) of directors (the “Director(s)”) of Orient Victory Travel Group Company Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 (the “Period”), together with comparative figures for the corresponding period in 2020.

Industry Overview, Business Strategy and Outlook

Since the outbreak of the novel coronavirus disease (2019) (COVID-19) pandemic (the “Pandemic”) in early 2020, governments of various countries have implemented anti-pandemic measures for public health such as travel restrictions, temporary suspension of tourism activities, and temporary closures and limitation of the number of visitors of tourism attractions and cultural spots. These measures have inevitably affected the travel and tourism industries since the beginning of the Pandemic and were still in force during the Period. As a result of the effective prevention and control measures put in place by the government of mainland (“Mainland China”) of the People’s Republic of China (the “PRC”) since the beginning of the Pandemic, the Pandemic has begun to ease in Mainland China from the second quarter of 2020. Nevertheless, it is expected that global travel restrictions and other prevention and control measures would still be in place until the full or substantially the full subside of the Pandemic, and the timing of which is highly uncertain.

The Group’s diversified tourism products and services segment engages in the sales of outbound air tickets and provision of outbound tourism-related services. Revenue of which further reduced from approximately HK\$77.9 million during the six months ended 30 June 2020 to approximately HK\$4.7 million during the Period owing to the travel restrictions imposed since late January 2020. Majority of the Group’s revenue from diversified tourism products and services segment during the six months ended 30 June 2020 were derived from January 2020.

The Group’s integrated development segment served as an alternative business drive during the Period and the six months ended 30 June 2020. Benefit from the effective prevention and control measures put in place by the government and the improving Pandemic situation of Mainland China, revenue from the Group’s operation and management of tourist attraction and cultural spot increased from approximately HK\$10.6 million during the six months ended 30 June 2020 to approximately HK\$15.7 million during the Period. Nevertheless, revenue in both periods remained at a lower level owing to the temporary closures of the facilities at certain times and the limitation of the number of visitors in both periods. On the other hand, the Group continues to facilitate the development of other businesses in the integrated development segment that are less affected by the Pandemic. In particular, marketing, event planning and consulting services contributed revenue of approximately HK\$16.9 million (six months ended 30 June 2020: approximately HK\$11.2 million) to the Group during the Period, and by completing the disposal of the remaining portion of the piece of land located in New Zealand in May 2021 as detailed in the section headed “Integrated Development Businesses” under “Business Review” in “Management Discussion and Analysis”, total net gain on disposal of approximately New Zealand Dollar (“NZD”) 1.7 million (equivalent to approximately HK\$9.4 million) was recognised as “gain on disposal of assets held for sale” in the condensed consolidated statement of profit or loss during the Period, and the Group’s cash flow was further strengthened.

In addition to the Group’s diversified tourism products and services businesses and integrated development businesses, the Board considers that the Group must take additional appropriate steps to cope with the unprecedented market change resulting from the Pandemic. With an aim to broadening the Group’s income sources which in turn improve the financial performance of the Group and achieve better return for the shareholders during the current unfavourable environment, the Group has been exploring new income stream in the PRC since late July 2020. Leveraging on the business network of the Directors, the Group is able to explore the feasibility of other business fields with stable domestic demand feature such as the provision of products and services relating to property management and leasing, urban environmental hygiene and healthcare businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

Recent policies of the property management industry in the PRC continued to be positive. Pursuant to the notice issued by ten government authorities including the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部), in order to satisfy the public aspiration of better living quality and condition, the development of residential property management industry shall be facilitated and the quality and diversification of services shall be enhanced. In particular, the notice requires the local governments to regulate the relationship between governments and enterprises at the grassroots level, facilitate the enhancement of scope of services, management and quality of property management services, support acquisition of the property management companies, encourage market-based property management fees, etc., to develop a long-term effective management mechanism of property management operations, pointing the way for healthy and long-term development of the industry.

On 18 May 2021, the Group completed the acquisition of the entire equity interest in Shijiazhuang Dongsheng Property Management Services Company Limited* (石家莊市東勝物業服務有限公司, “Dongsheng PMS”), which, alongside its subsidiaries, are principally engaged in the provision of property management and leasing services for residential and commercial properties in Hebei Province, the PRC. Since completion of the acquisition, Dongsheng PMS contributed property management and leasing related revenue of approximately HK\$10.4 million to the Group during the Period. By completing the acquisition, the Group successfully entered into the property management and leasing related businesses and has additional income sources that are less affected by the Pandemic and with sound prospects.

The Group has been paying close attention to and treating the ongoing situation of the Pandemic with great caution in the light that timing of the full recovery for global tourism industry is highly uncertain under the Pandemic. In addition to the above business developments, the Group had carried out various measures to encounter the impact of the Pandemic to the Group’s existing businesses since the first quarter of 2020, which includes implementing cost containment plans, and monitoring and strengthening the cash flows and the collection of receivables. In particular, (1) the Group’s wages, salaries and other benefits and pension scheme contributions (excluding costs related to the subsidiaries acquired during the Period) incurred during the Period reduced by 33% as compared to the corresponding period of last year; and (2) the Group’s cash and cash equivalent further increased during the Period from approximately HK\$179.3 million as at 31 December 2020 to approximately HK\$328.9 million as at 30 June 2021, which was mainly attributable to the completion of disposal of the remaining portion of the piece of land located in New Zealand as detailed in the section headed “Integrated Development Businesses” under “Business Review” in “Management Discussion and Analysis”, and the receipt of certain refundable prepayments for investments of approximately HK\$81.5 million.

The Pandemic had brought huge impact to the Group’s diversified tourism products and services businesses and the Group’s tourism attractions under the integrated development businesses during the Period. It is expected that the Pandemic will continue to impact the global tourism industry, and thus outbound travel and tourism businesses, being the Group’s main business focus of the diversified tourism products and services segment, as well as the Group’s tourism attractions business under the integrated development segment, will continue to be affected in the second half of 2021.

Despite the Pandemic, the tourism-related businesses are expected to be vigorous in a long run having considered the expected steady improvement of the PRC economy and the continuous improvement of people’s living standard. The Group will closely monitor the development of the Pandemic and the global tourism industry in order to enable the tourism-related businesses to be back on track in a safe and effective manner.

The Group will also continue to take prudent and cautious steps for the development of other businesses in order to improve the benefit of the Group and shareholders in this challenging business environment.

MANAGEMENT DISCUSSION AND ANALYSIS

In particular, for property management businesses, leverage on the extensive experience of certain Directors in property development and management in the PRC, the Group will develop the property management and leasing services businesses by improving the management and operation of Dongsheng PMS, seeking organic growth, strategic acquisitions and support from the controlling shareholder. Meanwhile, in addition to the property management businesses, the Group will also prudently explore potentially profitable investments and acquisitions in relation to urban environmental hygiene business and healthcare business, with an aim to improving the benefit of the Group and its shareholders as a whole.

Business Review

Property Management Businesses

The Group has been exploring property management business opportunities in the PRC since late July 2020. Pursuant to an equity transfer agreement dated 8 February 2021 entered into between Huasheng New Life Services (Shenzhen) Company Limited* (華勝新生活服務(深圳)有限公司, “Huasheng New Life”, an indirect wholly-owned subsidiary of the Company) (as purchaser) and Heng Sheng Xin Ye (Beijing) Asset Management Company Limited* (恆晟鑫業(北京)資產管理有限公司, “Hengsheng Xinye”, an independent third party of the Company) (as vendor), Hengsheng Xinye conditionally agreed to dispose of, and Huasheng New Life conditionally agreed to acquire, the entire equity interest in Dongsheng PMS for the consideration of RMB7,500,000 (equivalent to approximately HK\$9,139,000). Dongsheng PMS and its subsidiaries are principally engaged in the provision of property management and leasing services for residential and commercial properties in Hebei Province, the PRC. It possesses certifications of the ISO9001 (Quality Management Systems), ISO14001 (Environmental Management Systems) and OHSAS18001 (Occupational Health and Safety Assessment Series) and won various awards in past years, including the “2020 Top 500 Property Services Companies: Comprehensive Strength*” (二零二零年度物業服務企業綜合實力500強) and the “Top Ten Property Management Projects in Hebei Province in 2019*” (二零一九年度河北省物業管理十佳項目). The acquisition was completed on 18 May 2021, and Dongsheng PMS and its subsidiaries have become the Group’s indirect wholly-owned subsidiaries. Further details of the acquisition are set out in the Company’s announcements dated 8 February 2021 and 20 May 2021.

As at 30 June 2021, Dongsheng PMS and its subsidiaries had a total contracted gross floor area of approximately 8.2 million square meters, of which a total gross floor area of approximately 7.2 million square meters was under their management. The total gross floor area mainly involves residential properties, commercial properties, office buildings, sales offices and related areas, hospitals, government and other public facilities. Revenue from property management and leasing services of approximately HK\$10.4 million was recognised by the Group during the Period since completion of the acquisition of Dongsheng PMS.

Integrated Development Businesses

The Group has been operating in the integrated development businesses since the acquisition of the entire interest in a piece of land located at corner Miller Rise, Bankside Road, Millwater Parkway, Silverdale, Auckland, New Zealand with an aggregate area of approximately 15,742 square meters in 2017. Construction of the first phase of the project was completed in 2019. During the six months ended 30 June 2020, four residential units of the first phase of the project were sold and revenue of approximately HK\$12.9 million from the sales of properties was recognised. As all residential units of the first phase of the project were sold in 2020, no revenue from the sales of properties of the first phase of the project was recognised during the Period. In respect of the remaining portion of the piece of land (approximately 12,986 square meters), with an aim to improving the cash inflows, in December 2020, the Group (as vendor) entered into two agreements for sale and purchase of real estate (the “Sale and Purchase Agreements”) with an independent third party of the Company (as purchaser) to dispose of the remaining portion of the piece of land for a total consideration of approximately NZD10.3 million (equivalent to approximately HK\$57.3 million). The disposal was completed in May 2021 and total net gain on disposal of NZD1.7 million (equivalent to approximately HK\$9.4 million) was recognised as “gain on disposal of assets held for sale” in the condensed consolidated statement of profit or loss during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, Hebei Tu Men Travel Development Limited* (河北土門旅遊開發有限公司) (“Tu Men Travel”), which is principally engaged in the operation and management of tourist attractions and cultural spots and owns a tourist attraction and cultural spot in Shijiazhuang, the PRC, contributed revenue of approximately HK\$15.7 million (six months ended 30 June 2020: approximately HK\$10.6 million) to the Group during the Period. The Pandemic had led to temporary closures of the tourist attraction and cultural spot between late January 2020 and late March 2020, and between early January 2021 and late February 2021, and no revenue was recognised during these periods. At other times, limitation of the number of visitors and other prevention measures were also strictly imposed by the Group. The increase in revenue during the Period as compared to the corresponding period of last year was primarily attributable to the improved Pandemic situation in the PRC during the Period.

The Group also engaged in the developments of tourism-related accommodation facilities in the PRC. During the Period, certain pieces of land in Zhangjiakou, the PRC, and Shijiazhuang, the PRC, are under planning and/or preliminary development stage.

In addition, since 2019, the Group has been operating event planning and all-round event production services in respect of the real estate development in the PRC, and has recruited a team of talents who were equipped with extensive experience in corporate image building, brand management, marketing, event planning and public relations and communication. Revenue of approximately HK\$16.9 million (six months ended 30 June 2020: approximately HK\$11.2 million) was recognised during the Period.

Diversified Tourism Products and Services Businesses

Principal subsidiaries of the Group engaged in diversified tourism products and services businesses comprised (i) Four Seas Tours Limited (四海旅行社有限公司), which engaged in the sale of outbound air-ticket and provision of other travel related services in Hong Kong; and (ii) Dongsheng (Beijing) International Travel Co., Limited* (東勝(北京)國際旅行社有限公司) and Beijing Jinlv Shidai Tourism Co. Limited* (北京金旅時代旅行社有限公司), which engaged in the sales of outbound air tickets and provision of outbound tourism-related services in the PRC.

Revenue from diversified tourism products and services businesses reduced from approximately HK\$77.9 million during the six months ended 30 June 2020 to approximately HK\$4.7 million during the Period. Global travel and tourism activities were basically suspended since early 2020 as a result of the Pandemic and the anti-pandemic measures imposed by the governments of various countries. Majority of the Group’s revenue from diversified tourism products and services businesses during the six months ended 30 June 2020 were derived from January 2020. The ongoing global travel restrictions imposed continued to adversely affect the Group’s outbound travel businesses during the Period, resulting a further significant decrease in revenue from diversified tourism products and services businesses during the Period as compared to the corresponding period of last year.

Investment Holding Business

During the six months ended 30 June 2020, investment holding business included the Group’s 49% equity interest in China Comfort Tourism Group Company Limited* (中國康輝旅遊集團有限責任公司) (“China Comfort”), a then associate of the Group, which was engaging in the provision of travel agent services in the PRC, including domestic travel, outbound travel and inbound travel, and provision of brand name for the franchisees. The disposal of the Group’s 49% equity interest in China Comfort was completed in October 2020. Accordingly, share of loss of China Comfort of approximately HK\$12.8 million during the six months ended 30 June 2020 was reclassified as “loss for the period from discontinued operation” in the condensed consolidated statement of profit or loss. Details of the disposal of China Comfort are set out in the Company’s announcements dated 26 March 2020, 31 July 2020, 30 September 2020 and 15 October 2020, and the Company’s circular dated 24 June 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Analysis

Operating Performance

a. Continuing operations

Analysis by nature of revenue:

	For the six months ended 30 June			
	2021		2020	
	HK\$'000	%	HK\$'000	%
Diversified tourism products and services businesses:				
Sales of air tickets and diversified tourism products, provision of travel and other related services and commission income	4,736	9.9	77,910	69.2
Integrated development businesses:				
Sales of products and service income from tourism attractions	15,704	32.9	10,611	9.4
Marketing, event planning and consulting services	16,888	35.4	11,189	9.9
Sales of properties	-	N/A	12,938	11.5
Sub-total	32,592	68.3	34,738	30.8
Property management businesses:				
Property management and leasing related services	10,412	21.8	-	N/A
Total	47,740	100.0	112,648	100.0

The Group recorded revenue of approximately HK\$47.7 million (six months ended 30 June 2020: approximately HK\$112.6 million) for the Period, representing a decrease of approximately 58% as compared to the corresponding period of last year. As a result of the Pandemic, global travel and tourism activities has been temporarily suspended since late January 2020. Majority of the Group's revenue from diversified tourism products and services segment during the six months ended 30 June 2020 were derived from January 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's integrated development businesses served as an alternative revenue drive during the Period. Revenue from sales of products and service income from tourism attractions, and revenue from marketing, event planning and consulting services increased during the Period as compared to the corresponding period of last year. Further details of these business performance are set out in section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis". Sales of properties during the six months ended 30 June 2020 represented the sales of four residential units of the first phase of the project in New Zealand. All residential units of the first phase of the project were sold in 2020 and accordingly no revenue from the sales of first phase properties was recognised during the Period. The net gain on disposal of the remaining portion of the piece of land located in New Zealand of approximately HK\$9.4 million (six months ended 30 June 2020: nil) was recognised as "gain on disposal of assets held for sale" in the condensed consolidated statement of profit or loss during the Period. Details of the business performance of the project in New Zealand are set out in the section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis".

The Group has commenced its property management businesses since completion of the acquisition of the entire equity interest in Dongsheng PMS. Details of its business performance are set out in the section headed "Property Management Businesses" under "Business Review" in "Management Discussion and Analysis".

Gross profit

The Group recorded gross profit of approximately HK\$6.5 million (six months ended 30 June 2020: approximately HK\$9.1 million) for the Period, representing a decrease of approximately 29% as compared to the corresponding period of last year, which was primarily attributable to the decrease in revenue during the Period as compared to the corresponding period of last year.

The increase in gross profit percentage from 8.1% during the six months ended 30 June 2020 to 13.6% during the Period was mainly attributable to the increase in proportion of revenue from integrated development businesses and property management businesses to total revenue during the Period, which had a higher gross profit percentage than that of the revenue from diversified tourism products and services businesses.

Loss for the Period

Loss for the Period from continuing operations amounted to approximately HK\$5.6 million (six months ended 30 June 2020: approximately HK\$19.2 million). The decrease was primarily attributable to the net effect of (1) the decrease in gross profit by approximately HK\$2.6 million as compared to the corresponding period of last year; (2) the recognition of net gain on disposal of the remaining portion of the piece of land located in New Zealand of approximately HK\$9.4 million (six months ended 30 June 2020: nil) during the Period; and (3) the decrease in wages, salaries and other benefits and pension scheme contributions (excluding costs related to the subsidiaries acquired during the Period) by approximately HK\$5.2 million.

b. Discontinued operation

On 15 October 2020, the Group completed the disposal of the 49% equity interest in China Comfort, a then associate of the Group, which was engaging in the provision of travel agent services in the PRC, including domestic travel, outbound travel and inbound travel, and provision of brand name for the franchisees. Accordingly, the consolidated results of China Comfort and its subsidiaries accounted for by the Group during the six months ended 30 June 2020 have been presented as discontinued operation in the Group's condensed consolidated financial statements, and the comparative figures of the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, and corresponding notes have been restated to reflected the discontinued operation separately from continuing operations. Details of the disposal are set out in the section headed "Investment Holding Business" under "Business Review" in "Management Discussion and Analysis".

MANAGEMENT DISCUSSION AND ANALYSIS

Assets Structure

As at 30 June 2021 and 31 December 2020, the Group's assets mainly included other property, plant and equipment, investment properties, intangible assets, inventories, trade receivables, prepayments, deposits and other receivables, restricted bank deposits and cash and cash equivalents, and assets held for sale, details of which are set out below:

- i. Other property, plant and equipment of approximately HK\$135.6 million (31 December 2020: approximately HK\$131.4 million) as at 30 June 2021 mainly represented properties and other equipment of the tourist attraction and cultural spot owned by Tu Men Travel with a net carrying amount of approximately HK\$127.9 million (31 December 2020: approximately HK\$128.9 million).
- ii. Investment properties of approximately HK\$159.3 million (31 December 2020: approximately HK\$139.4 million) as at 30 June 2021 represented fair values of (1) a land under development located in the PRC of approximately HK\$140.5 million (31 December 2020: approximately HK\$139.4 million); and (2) the right-of-use assets of non-residential properties located in Shijiazhuang and Xingtai, Hebei Province, the PRC leased by Dongsheng PMS from property owners to earn rentals of approximately HK\$18.8 million (31 December 2020: nil).
- iii. Intangible assets of approximately HK\$4.2 million (31 December 2020: approximately HK\$4.1 million) as at 30 June 2021 mainly consisted of travel licences in the PRC of approximately HK\$4.1 million (31 December 2020: approximately HK\$4.0 million).
- iv. Inventories of approximately HK\$217.4 million (31 December 2020: approximately HK\$214.6 million) as at 30 June 2021 mainly represented certain pieces of land under development in the PRC.
- v. Trade receivables of approximately HK\$25.2 million (31 December 2020: approximately HK\$19.7 million) as at 30 June 2021 were mainly derived from the marketing, event planning and consulting services under the integrated development segment of approximately HK\$19.5 million (31 December 2020: approximately HK\$18.9 million). The increase in trade receivables was mainly attributable to the combined effect of the collection of trade receivables and the acquisition of Dongsheng PMS during the Period.
- vi. Prepayments, deposits and other receivables of approximately HK\$28.5 million (31 December 2020: approximately HK\$109.7 million) as at 30 June 2021 mainly represented prepayments and deposits paid to overseas airlines for the operation of the outbound travel business of the diversified tourism products and services segment. The decrease in prepayments, deposits and other receivables was mainly due to the receipt of refundable prepayments for the acquisitions of certain property development projects in the PRC of approximately HK\$81.5 million in aggregate during the Period.
- vii. Restricted bank deposits and cash and cash equivalents were approximately HK\$330.3 million (31 December 2020: approximately HK\$181.5 million) as at 30 June 2021. The increase was mainly attributable to (1) the receipt of consideration for the disposal of the remaining portion of the piece of land located in New Zealand of approximately HK\$57.3 million; and (2) the receipt of certain refundable prepayments for investments of approximately HK\$81.5 million.
- viii. Assets held for sale as at 31 December 2020 represented the remaining portion of the piece of land located in New Zealand as detailed in section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis", which was disposed of in May 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Liabilities Structure

As at 30 June 2021 and 31 December 2020, the Group's liabilities mainly included trade payables and contract liabilities, other payables and accruals and lease liabilities, details of which are set out below:

- i. Trade payables and contract liabilities were approximately HK\$61.2 million (31 December 2020: approximately HK\$36.4 million) as at 30 June 2021. The increase was mainly attributable to the acquisition of Dongsheng PMS which resulted in an increase in trade payables and contract liabilities by approximately HK\$17.7 million in aggregate during the Period.
- ii. Other payables and accruals of approximately HK\$100.2 million (31 December 2020: approximately HK\$92.6 million) as at 30 June 2021 mainly consisted of consideration payable regarding the acquisition of Tu Men Travel of approximately HK\$31.4 million (31 December 2020: approximately HK\$37.7 million), land and construction costs payable of approximately HK\$20.0 million (31 December 2020: approximately HK\$21.9 million), and deposits of property management and leasing services received by Dongsheng PMS of approximately HK\$4.7 million (31 December 2020: nil). The increase was mainly attributable to the commencement of property management businesses during the Period.
- iii. Lease liabilities of approximately HK\$21.9 million (31 December 2020: approximately HK\$2.2 million) as at 30 June 2021 mainly comprised lease liabilities of the right-of-use assets of non-residential properties located in Shijiazhuang and Xingtai, Hebei Province, the PRC leased by Dongsheng PMS from property owners to earn rentals of approximately HK\$18.8 million (31 December 2020: nil).

Liquidity and Financial Resources

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. During the Period, the Group's operations and investments were supported by internal resources. Besides, the receipt of the consideration for the disposal of the remaining portion of the piece of land located in New Zealand as detailed in the section headed "Integrated Development Businesses" under "Business Review" in "Management Discussion and Analysis" of approximately HK\$57.3 million in aggregate during the Period provided extra funding and financial strength to the Group.

As at 30 June 2021, the Group had a current ratio of approximately 3.6 (31 December 2020: approximately 4.4). All the Group's short-term borrowings and long-term borrowings were settled in 2020 and as such gearing ratio (calculated by dividing net debt (defined as short-term borrowings and long-term borrowings, net of cash and cash equivalents) by total equity) was not applicable to the Group as at 30 June 2021 and 31 December 2020.

Foreign Exchange Exposure

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

Capital Commitments

As at 30 June 2021, the Group had capital commitments relating to the investments in equity securities and developments of investment properties of approximately HK\$423.0 million in aggregate (31 December 2020: approximately HK\$419.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisition, Investments and Disposal

On 4 March 2021, the Group entered into an investment agreement with a bank and subscribed for a structured product in the sum of RMB90,000,000 (equivalent to approximately HK\$107,241,000) on 5 March 2021. On 31 March 2021, the Group requested the bank to redeem the structured product at the redemption price of RMB90,151,000 (equivalent to approximately HK\$107,421,000). Details of the subscription and redemption are set out in the Company's announcement dated 13 April 2021.

On 18 May 2021, the Group completed the acquisition of the entire equity interest in Dongsheng PMS. Further details of the acquisition are set out in the section headed "Property Management Businesses" under "Business Review" in "Management Discussion and Analysis".

Save as disclosed above, the Group had no significant investments, material acquisition and disposal of subsidiaries and associated companies during the Period.

Pledge of Assets

As at 30 June 2021 and 31 December 2020, the Group pledged the entire equity interest in Hua Yu New Life Services (Shenzhen) Company Limited * (華譽新生活服務(深圳)有限公司), an indirect wholly-owned subsidiary of the Company, and the entire issued share capital of Donghui Hong Kong Holdings Limited, an indirect wholly-owned subsidiary of the Company, to secure the issue of the perpetual convertible securities issued on 30 March 2016 with an aggregate principal amount of approximately HK\$70.0 million, details of which are set out in the Company's announcement dated 30 March 2016 and the Company's circular dated 29 January 2016.

Material Contingent Liabilities

As at 30 June 2021 and 31 December 2020, the Group had no material contingent liabilities.

Number and Remuneration of Employees

As at 30 June 2021, the total number of employees of the Group was approximately 220 (30 June 2020: approximately 180). Staff costs (including Directors' emoluments) of approximately HK\$12.3 million (six months ended 30 June 2020: approximately HK\$16.0 million) were incurred during the Period.

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

Interim Dividend

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2020: nil).

Events after the Reporting Period

i. Acquisition of the entire equity interest in Kinyoun International

Pursuant to a share transfer agreement dated 6 August 2021 entered into between Allied World Corporation (a wholly-owned subsidiary of the Company) (as purchaser) and Mr. Lu Liqiang (an independent third party of the Company) (as vendor), the purchaser conditionally agreed to acquire, and the vendor agreed to dispose of, the entire equity interest in Kinyoun International Limited (“Kinyoun International”) for the consideration of HK\$24,000,000. Completion of the equity transfer took place on 9 August 2021 and Kinyoun International and its subsidiaries have become indirect wholly-owned subsidiaries of the Company since then. Kinyoun International and its subsidiaries are principally engaged in the sub-leasing business for non-residential properties in Shijiazhuang, Hebei Province, the PRC. Further details of the acquisition are set out in the Company’s announcement dated 6 August 2021.

ii. Termination of the acquisitions of Great Ascent and Yiersan

Reference is made to the circular of the Company dated 10 October 2018. On 20 August 2021, the Company, among all the other relevant parties, entered into a termination agreement to terminate the agreements in respect of the acquisition of 40% of the issued share capital of Great Ascent Limited (“Great Ascent”) (a company incorporated in Hong Kong) by the Company, and the acquisition of 40% equity interest in Jiangsu Yiersan Real Estate Development Co., Ltd.* (江蘇一二三房地產開發有限公司) (“Yiersan”) (a company incorporated in PRC) by the Company. Further details of the termination are set out in the Company’s announcement dated 25 August 2021.

* for identification purpose only

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

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

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 3)
Mr. Shi Baodong ("Mr. Shi")	Interest in a controlled corporation	10,031,351,816 (Note 1)	77.63%
	Beneficial owner	130,239,145 (Note 2)	1.01%
Mr. Dong Xiaojie	Beneficial owner	2,014,285	0.02%

Notes:

1. Mr. Shi holds 100% equity interest in Orient Victory Real Estate Group Holdings Limited ("OVRE") and is deemed to be interested in the 10,031,351,816 shares of the Company held by OVRE under the SFO. The interests include the holding of (i) 7,839,862,880 Shares; (ii) the perpetual convertible securities issued in March 2016 (the "2016 March PCS") convertible into 128,771,155 Shares; and (iii) the perpetual convertible securities issued in October 2016 (the "2016 October PCS") convertible into 2,062,717,781 Shares.
2. Mr. Shi beneficially owns 130,239,145 Shares as at 30 June 2021.
3. The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 30 June 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2021, none of the Directors or chief executive of the Company has or is deemed to have any long or short position in shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including long and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2021, to the best knowledge of the Directors, the following entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying shares of the Company held	Approximate percentage of shareholding in the Company (Note 4)
OVRE (Note 1)	Beneficial owner	10,031,351,816	77.63%
Outstanding Global Holdings Limited ("OGH") (Note 2)	Person having security interests in shares of the Company	6,501,273,713	50.31%
Chance Talent Management Limited ("CTM") (Note 3)	Person having security interests in shares and perpetual convertible securities of the Company	6,193,669,868	47.93%

Notes:

- OVRE is wholly-owned by Mr. Shi. The interests include the holding of (i) 7,839,862,880 Shares; (ii) the 2016 March PCS convertible into 128,771,155 Shares; and (iii) the 2016 October PCS convertible into 2,062,717,781 Shares.
- OGH is wholly-owned by China Huarong International Holdings Limited which is indirectly wholly-owned by China Huarong Asset Management Co., Ltd. (a corporation listed on the Stock Exchange). The 6,501,273,713 Shares, comprise security interest in 6,501,273,713 Shares pledged by OVRE.
- CTM is a limited liability business company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned special purpose vehicle of CCB International (Holdings) Limited. CCB International (Holdings) Limited is an investment services flagship which is indirectly wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939). The 6,193,669,868 shares of the Company, in aggregate, comprise security interests in (i) 6,064,898,713 Shares pledged by OVRE; and (ii) the 2016 March PCS (convertible into 128,771,155 Shares) pledged by OVRE.
- The approximate percentage was calculated based on 12,922,075,516 Shares in issue as at 30 June 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2021, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short positions in the Shares or underlying shares of the Company which would require to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Share Option Scheme

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

Compliance with the Corporate Governance Code

The Company had complied with the code provisions as set out in the “Corporate Governance Code and Corporate Governance Report” (the “CG Code”) contained in Appendix 14 of the Listing Rules throughout the Period except for deviation from code provision A.2.1 of the CG Code.

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

Compliance with the Model Code for Securities Transactions by Directors

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

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

Audit Committee and Review of Interim Results

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Appreciation

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

By order of the Board
Orient Victory Travel Group Company Limited

Shi Baodong
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 August 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021
(expressed in Hong Kong dollars (“\$”))

	Notes	For the six months ended 30 June	
		2021 (unaudited) \$'000	2020 (unaudited) \$'000 (Restated) (Note)
Continuing operations:			
Revenue	4	47,740	112,648
Cost of sales and services		(41,252)	(103,515)
Gross profit		6,488	9,133
Other income		3,148	291
Gain on disposal of assets held for sale		9,429	–
Selling, general and administrative expenses		(21,634)	(26,113)
Loss from operations		(2,569)	(16,689)
Finance costs	5	(132)	(2,922)
Loss before taxation	5	(2,701)	(19,611)
Income tax	6	(2,862)	377
Loss for the period from continuing operations		(5,563)	(19,234)
Discontinued operation:			
Loss for the period from discontinued operation		–	(12,774)
Loss for the period		(5,563)	(32,008)
Attributable to:			
Equity owners of the Company			
– continuing operations		(2,564)	(11,790)
– discontinued operation		–	(12,774)
		(2,564)	(24,564)
Non-controlling interests			
– continuing operations		(2,999)	(7,444)
Loss for the period		(5,563)	(32,008)
Basic and diluted loss per share	7		
– continuing operations		(HK0.06 cent)	(HK0.13 cent)
– discontinued operation		–	(HK0.10 cent)

Note: The restatement of comparative information is attributable to the discontinued operation.

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021
(expressed in \$)

	For the six months ended 30 June	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000 (Restated) (Note)
Loss for the period	(5,563)	(32,008)
Other comprehensive income for the period (after tax)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- exchange differences on translation of financial statements of foreign operations	5,542	(15,290)
Total comprehensive income for the period	(21)	(47,298)
Attributable to:		
Equity owners of the Company		
- continuing operations	2,611	(25,777)
- discontinued operation	-	(12,774)
	2,611	(38,551)
Non-controlling interests		
- continuing operations	(2,632)	(8,747)
Total comprehensive income for the period	(21)	(47,298)

Note: The restatement of comparative information is attributable to the discontinued operation.

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021
(expressed in \$)

	Notes	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Non-current assets			
Investment properties		159,286	139,403
Other property, plant and equipment		135,553	131,395
		294,839	270,798
Intangible assets		4,215	4,055
Deferred tax assets		2,194	2,373
		301,248	277,226
Current assets			
Inventories		217,425	214,620
Trade receivables	8	25,187	19,736
Prepayments, deposits and other receivables		28,513	109,719
Restricted bank deposits		1,393	2,239
Cash and cash equivalents		328,894	179,309
Assets held for sale		-	47,538
		601,412	573,161
Current liabilities			
Trade payables	9	31,429	26,810
Contract liabilities		29,740	9,555
Other payables and accruals		100,169	92,560
Lease liabilities		2,514	1,740
Provisions		1,043	1,034
		164,895	131,699
Net current assets		436,517	441,462
Total assets less current liabilities		737,765	718,688

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021
(expressed in \$)

	Note	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Non-current liabilities			
Lease liabilities		19,345	435
Deferred tax liabilities		13,115	13,031
Provisions		2,690	2,669
		35,150	16,135
NET ASSETS			
		702,615	702,553
CAPITAL AND RESERVES			
Share capital	10	64,610	64,610
Perpetual convertible securities		296,274	296,274
Reserves		266,630	263,936
Total equity attributable to equity owners of the Company		627,514	624,820
Non-controlling interests		75,101	77,733
TOTAL EQUITY		702,615	702,553

Approved and authorised for issue by the board of directors on 30 August 2021.

Shi Baodong
Chairman

Mo Yueming
Director

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021
(expressed in \$)

	Attributable to equity owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual convertible securities	Exchange reserves	Accumulated losses			
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	64,610	635,230	296,274	(34,790)	(354,733)	606,591	99,571	706,162
Changes in equity for the six months ended 30 June 2020:								
Loss for the period	-	-	-	-	(24,564)	(24,564)	(7,444)	(32,008)
Other comprehensive income	-	-	-	(13,987)	-	(13,987)	(1,303)	(15,290)
Total comprehensive income	-	-	-	(13,987)	(24,564)	(38,551)	(8,747)	(47,298)
Balance at 30 June 2020	64,610	635,230	296,274	(48,777)	(379,297)	568,040	90,824	658,864

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021
(expressed in \$)

	Attributable to equity owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Perpetual convertible securities	Exchange reserve	Accumulated losses	Total		
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021	64,610	635,378	296,274	6,850	(378,292)	624,820	77,733	702,553
Changes in equity for the six months ended 30 June 2021:								
Loss for the period	-	-	-	-	(2,564)	(2,564)	(2,999)	(5,563)
Other comprehensive income	-	-	-	5,175	-	5,175	367	5,542
Total comprehensive income	-	-	-	5,175	(2,564)	2,611	(2,632)	(21)
Equity-settled share-based transactions	-	83	-	-	-	83	-	83
Balance at 30 June 2021	64,610	635,461	296,274	12,025	(380,856)	627,514	75,101	702,615

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2021
(expressed in \$)

	For the six months ended 30 June	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000
Net cash (used in)/generated from operating activities	(11,799)	20,651
Net cash generated from investing activities	158,611	37,711
Net cash used in financing activities	(201)	(121,102)
Net increase/(decrease) in cash and cash equivalents	146,611	(62,740)
Cash and cash equivalents at 1 January	179,309	117,807
Effect of foreign exchange rate changes	2,974	(2,563)
Cash and cash equivalents at 30 June	328,894	52,504

The notes on pages 25 to 36 form part of these condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

1 Corporate information

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

During the Period, the Group is principally engaged in the property management and leasing services businesses for residential and commercial properties, the diversified tourism products and services businesses and the integrated development businesses.

2 Basis of preparation

These interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). It was authorised for issue on 30 August 2021.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

This interim result announcement contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These interim financial statements are presented in HK\$ and all values are rounded to the nearest thousand ("'\$000'") except when otherwise indicated.

3 Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these interim financial statements for the current accounting period:

- Amendments to HKFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, *Interest rate benchmark reform – phase 2*

The amendments did not have material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these interim financial statements. Other than these amendments, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

4 Revenue and segment reporting

(a) Revenue

The Group is principally engaged in the property management and leasing services businesses for residential and commercial properties, the diversified tourism products and services businesses and the integrated development businesses. Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	For the six months ended 30 June	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000
Disaggregated by major products or service lines:		
- Sales of air tickets and diversified tourism products, provision of travel and other related services and commission income	4,736	77,910
- Sales of products and service income from tourism attractions	15,704	10,611
- Marketing, event planning and consulting services	16,888	11,189
- Sales of properties	-	12,938
- Property management and leasing related services	10,412	-
	47,740	112,648

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 4(b)(i) and 4(b)(ii) respectively.

For the Period, the Group had transactions with a customer and entities under its control in the integrated development segment and the property management segment, contributing total revenue of approximately \$17,493,000 to the Group, representing over 10% of the Group's revenue for the Period. The corresponding total revenue of this customer and entities under its control for the six months ended 30 June 2020 is not disclosed as the respective revenue did not contribute over 10% of the Group's total revenue for the six months ended 30 June 2020.

(b) Segment reporting

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

Continuing reportable segments:

- The diversified tourism products and services segment, which comprises the sale of air tickets and other tourism products, and provision of travel related and other services principally to corporate clients.
- The integrated development segment, which involves the development and operation of tourism and cultural attractions, sales of products, properties for lease business and for sale, and other services.
- the property management segment, which involves the provision of property management and leasing services for residential and commercial properties.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

Discontinued reportable segment:

- the investment holding segment, which involves in equity investment activities, and comprised the equity interest in China Comfort, a then associate which was disposed of by the Group in October 2020.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

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

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

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Period and the six months ended 30 June 2020 is set out below.

	For the six months ended 30 June											
	Continuing operations								Discontinued operation			
	Diversified tourism products and services		Integrated development		Property management		Sub-total		Investment holding - China Comfort		Total	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000	2021 (unaudited) \$'000	2020 (unaudited) \$'000	2021 (unaudited) \$'000	2020 (unaudited) \$'000	2021 (unaudited) \$'000	2020 (unaudited) \$'000	2021 (unaudited) \$'000	2020 (unaudited) \$'000	2021 (unaudited) \$'000	2020 (unaudited) \$'000
Revenue from contracts with customer within the scope of HKFRS 15:												
- Point in time	4,736	77,910	32,592	34,738	-	-	37,328	112,648	-	-	37,328	112,648
- Over time	-	-	-	-	9,774	-	9,774	-	-	-	9,774	-
	4,736	77,910	32,592	34,738	9,774	-	47,102	112,648	-	-	47,102	112,648
Rental income	-	-	-	-	638	-	638	-	-	-	638	-
Revenue from external customers	4,736	77,910	32,592	34,738	10,412	-	47,740	112,648	-	-	47,740	112,648
Segment results	(3,932)	(6,325)	3,823	(5,034)	911	-	802	(11,359)	-	(12,774)	802	(24,133)
Corporate and other unallocated income and expenses, net							(3,371)	(5,330)	-	-	(3,371)	(5,330)
Finance costs							(132)	(2,922)	-	-	(132)	(2,922)
Loss before taxation							(2,701)	(19,611)	-	(12,774)	(2,701)	(32,385)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

	Diversified tourism products and services		Integrated development		Property management		Total	
	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Segment assets	30,037	27,291	511,104	556,999	28,389	-	569,530	584,290
Corporate and other unallocated assets							333,130	266,097
Total assets							902,660	850,387
Segment liabilities	42,965	35,554	61,969	65,990	50,814	-	155,748	101,544
Corporate and other unallocated liabilities							44,297	46,290
Total liabilities							200,045	147,834

Note: The restatement of comparative information is attributable to the discontinued operation and the reclassification of head office and corporate income, expenses, assets and liabilities as corporate and unallocated items from the investment holding segment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(ii) Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's assets. The geographical location of customers is based on the location at which the goods and services were sold or provided. The geographical location of the specified assets is based on the physical location of the assets or the location of the operations.

	Revenue from external customers		Non-current assets		Current assets		Total assets	
	For the six months ended 30 June							
	2021	2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	(unaudited)	(unaudited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Hong Kong (place of domicile)	4,736	22,985	4,233	2,005	81,592	21,048	85,825	23,053
Mainland China	43,004	76,725	297,015	274,922	515,281	488,809	812,296	763,731
New Zealand	-	12,938	-	299	4,539	63,304	4,539	63,603
	47,740	112,648	301,248	277,226	601,412	573,161	902,660	850,387

5 Loss before taxation

Loss before taxation is arrived at after charging:

(a) Finance costs

	For the six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	\$'000	\$'000
Interest on bank loans	-	245
Interest on lease liabilities	132	81
Finance costs in connection with interest-free loans from non-controlling shareholders of a subsidiary	-	2,527
Net foreign exchange loss	-	69
	132	2,922

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

5 Loss before taxation (continued)

(b) Other items

	For the six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	\$'000	\$'000
Wages, salaries and other benefits and pension scheme contributions	12,253	15,986
Cost of inventories sold	6,554	44,144
Amortisation cost of intangible assets	311	2,348
Depreciation charge		
– owned property, plant and equipment	2,160	3,546
– right-of-use assets	626	1,854
Impairment losses/(reversal of impairment losses) on receivables, net		
– trade receivables	1,842	1,039
– prepayments, deposits and other receivables	–	(3,269)

6 Income tax in the condensed consolidated statement of profit or loss

	For the six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	\$'000	\$'000
Current – Mainland China	201	46
Current – New Zealand	1,718	291
Deferred taxation	943	(714)
Net tax charge/(credit) for the period	2,862	(377)

Notes:

- (i) Provision for Hong Kong Profit Tax for the Period is calculated at 16.5% (six months ended 30 June 2020: 16.5%) of the estimated assessable profits for the Period. The Company and the subsidiaries of the Group incorporated in Hong Kong did not have assessable profits subject to Hong Kong Profit Tax during the Period (six months ended 30 June 2020: nil).
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (iii) Pursuant to the rules and regulations of the PRC, the Group’s subsidiaries established in Mainland China are subject to PRC Corporate Income Tax at the statutory rate of 25% during the Period (six months ended 30 June 2020: 25%).
- (iv) Pursuant to the rules and regulations of the New Zealand, the Group’s subsidiaries established in the New Zealand are subject to the Business Income Tax at the statutory rate of 28% during the Period (six months ended 30 June 2020: 28%).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

7 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity owners of the Company and the weighted average ordinary shares in issue during the Period, based on the following data:

(i) Loss for the purpose of calculating basic loss per share

	For the six months ended 30 June	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000
Loss attributable to the equity owners of the Company	2,564	24,564
Accrued distribution to the holders of perpetual convertible securities	5,155	5,155
Loss for the purpose of calculating basic loss per share	7,719	29,719

(ii) Weighted average number of ordinary shares

	For the six months ended 30 June	
	2021 (unaudited) '000	2020 (unaudited) '000
Issued ordinary shares and weighted average number of ordinary shares in issue during the period	12,922,075	12,922,075

(b) Diluted loss per share

There were no dilutive potential ordinary shares outstanding for the Period and the six months ended 30 June 2020. The effect of the deemed conversion of the perpetual convertible securities was not included in the calculation of diluted loss per share as they are anti-dilutive during the Period and the six months ended 30 June 2020.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

8 Trade receivables

	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Trade receivables	33,385	27,115
Less: loss allowance	(8,198)	(7,379)
	25,187	19,736

Ageing analysis

As at the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Within 90 days	24,460	18,298
91 to 180 days	5	1,373
181 to 365 days	711	65
Over 365 days	11	-
	25,187	19,736

For trade receivables from property management services, the Group charges property management fees on an annual or a semi-annual basis and the payment is generally due upon the issuance of demand notes. The Group's other trade receivables are due within 14 to 90 days (31 December 2020: 14 to 90 days) from the date of billing.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

9 Trade payables

As at the end of reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	30 June 2021 (unaudited) \$'000	31 December 2020 (audited) \$'000
Within 90 days	23,734	24,436
91 to 180 days	2,144	1,051
181 to 365 days	5,551	1,323
	31,429	26,810

Included in trade payables are payables of \$4,670,000 (31 December 2020: \$4,697,000) due to a non-controlling equity owner of a subsidiary which are repayable within 40 days from the date of billing.

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

10 Share capital

	30 June 2021		31 December 2020	
	Number of ordinary shares (unaudited) '000	(unaudited) \$'000	Number of ordinary shares (audited) '000	(audited) \$'000
Authorised:				
Ordinary share at \$0.005 each	20,000,000	100,000	20,000,000	100,000
Issued and fully paid:				
Ordinary share at \$0.005 each	12,922,075	64,610	12,922,075	64,610

11 Business combination

On 18 May 2021, the Group completed the acquisition of the entire equity interest in Shijiazhuang Dongsheng Property Management Services Company Limited* (石家莊市東勝物業服務有限公司), which, alongside its subsidiaries, are principally engaged in the provision of property management and leasing services for residential and commercial properties in Hebei Province, the PRC, for the consideration of RMB7,500,000 (equivalent to \$9,139,000). Further details of the acquisition are set out in the Company's announcements dated 8 February 2021 and 20 May 2021.

The transaction costs incurred by the Group for the acquisitions had been expensed and also included in selling, general and administrative expenses in the condensed consolidated statement of profit or loss for the Period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

12 Interim dividend

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2020: nil).

13 Perpetual Convertible Securities

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

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

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

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

At 30 June 2021 and 31 December 2020, there were 2,066,942,901 units of the 2016 October PCS in an aggregate principal amount of \$264,569,000 outstanding.

On 20 May 2019, 183,958,793 units of the 2016 March PCS have been redeemed by the Company at the total amount of \$100,000,000. At 30 June 2021 and 31 December 2020, there were 128,771,155 units of the 2016 March PCS in an aggregate principal amount of \$70,000,000 outstanding.

In March and April 2019, the Company had paid distributions in an aggregated amount of \$13,037,000 to holders of the PCS.

On 9 September 2019, 9 March 2020, 9 September 2020 and 8 March 2021, the Company announced to cancel the distributions to the holders of the 2016 October PCS, which were originally scheduled to be made on 24 October 2019, 24 April 2020, 24 October 2020 and 24 April 2021 respectively at the distribution rate of 6% per annum.

In respect of the distributions of \$2,100,000, \$2,100,000, \$2,100,000 and \$2,100,000 to the holder of 2016 March PCS, the Company had postponed such distributions, which were originally scheduled to be made on 30 September 2019, 30 March 2020, 30 September 2020 and 30 March 2021 respectively at the distribution rate of 6% per annum.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

14 Capital Commitments

As at 30 June 2021, the Group had capital commitments relating to the investments in equity securities and developments of investment properties of approximately \$423,000,000 in aggregate (31 December 2020: approximately \$419,646,000).

15 Material Related Party Transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	For the six months ended 30 June	
	2021 (unaudited) \$'000	2020 (unaudited) \$'000
Short-term employee benefits	2,359	1,995
Post-employment benefits	27	17
	2,386	2,012

(b) Other related party transactions

The Group had the following material transactions with related parties during the six months ended 30 June 2021 and 2020:

	Notes	For the six months ended 30 June	
		2021 (unaudited) \$'000	2020 (unaudited) \$'000
<i>Transactions with companies controlled by the ultimate controlling shareholder of the Company:</i>			
Increase/(decrease) in advances from related parties	(i)	1,933	(111,369)
Marketing, event planning and consulting services	(ii)	16,342	2,700
Property management services	(i)	1,151	-
Rental expenses	(i)	33	-
<i>Transactions with non-controlling shareholders of subsidiaries:</i>			
Purchase of air tickets	(ii)	4,023	20,640
Management service fee	(ii)	120	120
Net proceeds from air tickets and travel related services sold	(i)	-	6
Finance costs in connection with interest-free loan from a non-controlling shareholder of a subsidiary of the Group	(i)	-	1,685

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021
(expressed in \$ unless otherwise indicated)

15 Material Related Party Transactions *(continued)*

(b) Other related party transactions *(continued)*

Notes:

- (i) These related party transactions constitute exempted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (ii) These related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

16 Fair Value Measurement of Financial Instruments

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

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

* *for identification purpose only*