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POKFULAM DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 225)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2025

The board of directors of Pokfulam Development Company Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) is pleased to announce the unaudited interim financial results of the Company and its subsidiaries for the six months ended 31 March 2025. This announcement, containing the full text of the 2024/2025 interim report (“**2024/2025 Interim Report**”) of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on the Stock Exchange in relation to the information to accompany the preliminary announcement of interim results. The printed version of the 2024/2025 Interim Report will be delivered to the shareholders of the Company, and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.pokfulam.com.hk on or before 28 May 2025.

By Order of the Board

Pokfulam Development Company Limited

Wong Tat Chang, Abraham

Chairman, Managing Director and Executive Director

Hong Kong, 22 May 2025

As at the date of this announcement, the Board comprises Mr. Wong Tat Chang, Abraham (Chairman and Managing Director), Mr. Wong Tat Kee, David, Mr. Wong Tat Sum, Samuel and Ms. Sung Kwan Yuk, Katherine as Executive Directors, and Mr. Li Kwok Sing, Aubrey, Mr. Sit Hoi Wah, Kenneth and Mr. Seto Gin Chung, John as Independent Non-Executive Directors.



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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Wong Tat Chang, Abraham
(Chairman and Managing Director)
Wong Tat Kee, David
Wong Tat Sum, Samuel
Sung Kwan Yuk, Katherine

Independent Non-executive Directors

Li Kwok Sing, Aubrey
Sit Hoi Wah, Kenneth
Seto Gin Chung, John

BOARD COMMITTEES

Audit Committee

Li Kwok Sing, Aubrey *(Chairman)*
Sit Hoi Wah, Kenneth
Seto Gin Chung, John

Remuneration Committee

Sit Hoi Wah, Kenneth *(Chairman)*
Wong Tat Chang, Abraham
Li Kwok Sing, Aubrey

Nomination Committee

Wong Tat Chang, Abraham *(Chairman)*
Li Kwok Sing, Aubrey
Sit Hoi Wah, Kenneth

AUTHORISED REPRESENTATIVES

Wong Tat Chang, Abraham
Hui Sui Yuen

COMPANY SECRETARY

Hui Sui Yuen

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

23rd Floor, Beverly House
93-107 Lockhart Road
Wanchai
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Tel: (852) 2520 1010
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PRINCIPAL BANKERS

The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
OCBC Bank (Hong Kong) Limited
Bank of Communications Co., Ltd.
Industrial and Commercial Bank of China (Asia) Limited

SOLICITORS

Howse Williams
Tony Kan & Co.
Huen & Partners, Solicitors

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

WEBSITE

<https://www.pokfulam.com.hk>

SHARE INFORMATION

Place of Listing
Main Board of
The Stock Exchange of Hong Kong Limited

Stock Code
225

Board Lot
2,000 shares

CHAIRMAN'S STATEMENT

INTERIM RESULTS

The unaudited consolidated net loss of Pokfulam Development Company Limited (the "Company") and its subsidiaries (collectively, the "Group") after taxation and non-controlling interests for the six months ended 31 March 2025 (the "Period") was approximately HK\$131.0 million (2024: HK\$218.4 million).

Such results took into account the following major non-operating items:

- A revaluation deficit of approximately HK\$167.9 million (2024: HK\$233.0 million) on investment properties;
- Net revaluation gain of approximately HK\$20.0 million (2024: losses of HK\$1.0 million) on securities investments and equity instruments;
- Share of loss in a joint venture of approximately HK\$6.4 million (2024: HK\$3.5 million);
- Exchange loss on amount due from a joint venture of approximately HK\$2.7 million (2024: gain of HK\$0.8 million); and
- Net provision for impairment losses in respect of expected credit losses on financial assets of approximately HK\$1.2 million (2024: HK\$6.9 million);

If the above items and their net taxation expense of approximately HK\$0.8 million (2024: HK\$0.9 million) were excluded, the Group would make an unaudited consolidated operating net profit after taxation and non-controlling interests of the Group for the Period of approximately HK\$28.0 million (2024: HK\$26.1 million).

INTERIM DIVIDEND

The board of directors of the Company (the "Directors" and the "Board", respectively) has resolved to declare an interim dividend of HK4 cents per ordinary share of the Company (the "Share") in respect of the first six months of the financial year ending 30 September 2025 (the "FY2025" and the "Interim Dividend", respectively) (2024: HK4 cents per Share) payable on Thursday, 26 June 2025 to the Company's shareholders (the "Shareholders") whose names will appear on the register of members of the Company (the "Register of Members") on Thursday, 12 June 2025.

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

A. Hong Kong

Rental business –

Rental income from investment properties in Hong Kong, from which the major portion of the Group's operating profit was derived, was 1.3% less than that of same period last year.

Rental income from the Group's residential properties increased by 3.2%, with expatriates continuing to make up a significant portion of tenants. Occupancy rates remain stable.

Meanwhile, rental income from the Group's commercial and industrial properties declined by 10.5%, reflecting a tenant-driven market focused on renewals and cost reduction in Hong Kong.

Elephant Holdings Limited ("EHL") –

EHL is a provider of digital display and signage solutions, public address systems, CCTV security systems, audio-visual systems, and high-end high fidelity audio systems to both Government and private end-users. Sales in the first half of FY2025 saw a significant boost following the completion of a large government project. However, new sales orders have slowed, and profit margins have tightened due to challenging retail market conditions posed by high interest rates and global economic uncertainties.

For the Period, EHL accounted for approximately 27.1% of the Group's total revenue.

Fund Investments

The Group maintains a portfolio of stocks and other investment products that yield a satisfactory return. The Group employs the following criteria when evaluating investment and trading opportunities: 1. The potential for return on investment, considering both capital appreciation and dividend payment, for the intended holding period. 2. The level of risk exposure, taking into account the Group's risk tolerance at the current time. 3. The diversification of the current investment portfolio. We remain focused on maintaining a balanced and resilient investment strategy to generate long-term value for stakeholders. To diversify the sources of income and risks of the Group's investment portfolio, we have to date invested in one real estate investment trust ("REIT") and three private asset funds.

i. Property-related Fund Investment – TKO Fund

The investment in the TKO Fund aligns with our long-term vision by supporting co-investing in retail and parking properties in Tseung Kwan O. While Hong Kong's property market has faced challenges due to high interest rates, anticipated rate cuts in 2025 could improve leasing and sale prospects of the properties concerned. As of 31 March 2025, we have contributed HK\$34.9 million, with the investment valued at HK\$39.3 million.

ii. Senior secured loans – related Fund Investments

Adams Street Private Income LP ("Adams Street Fund")

The Adams Street Fund, focused on senior secured loans for middle-market companies in the United States of America (the "U.S."), provides stable income and downside protection. Our full commitment of USD7.5 million has been fulfilled, with the investment valued at USD6.7 million as of 31 March 2025.

ALPS Private Credit Feeder Fund ("ALPS Fund")

In January 2025, the Group subscribed to Participating Shares of the Fund with a total commitment of USD5.0 million. The ALPS Fund possesses high potential for steady income generation and aims to generate current income through global credit market investments, primarily first lien senior secured loans of U.S. middle-market companies that are protected by strong maintenance covenants.

CHAIRMAN'S STATEMENT

iii. China Technology – related Fund – Hundreds SH Fund LP (“Hundreds Fund”)

Our participation in the Hundreds Fund offers equity exposure to high-growth opportunities via Tencent Plus Partners II Fund, which invests primarily in technology-enabled businesses with a China nexus. Our commitment to this investment is USD2 million with a 10-year lock-up period. We have contributed USD0.9 million with a valuation of USD0.6 million as of 31 March 2025.

B. Property Projects in Mainland China

Silver Gain Plaza in Guangzhou (in which the Group has a one-third interest) –

The three shareholders of Silver Gain Development Limited (the “Joint Venture Company”) have agreed to realize the accumulated profit from this Project through the disposal of their equity interests in the Joint Venture Company (the “Disposal”). The Disposal was required to undergo an open tendering process via the United Assets and Equity Exchange in Shanghai. However, the tendering period ended in 2023 without the execution of a sales and purchase agreement, rendering the process expired. As the tender has terminated, the three shareholders will proceed with re-tendering when favourable opportunities and timing arise.

Residential units in Vivaldi Court of Manhattan Garden, Chao Yang District, Beijing –

The rental income of this project showed a decrease of 3.1% in comparison to that of the same period last year.

C. Finance cost

The sum totalled approximately HK\$9.8 million (2024: HK\$11.5 million). The high finance expenses was attributed to the high interest rates that persisted throughout the Period.

D. Fair value change of Investment properties

The valuation of the Group’s investment properties across all sectors declined by approximately HK\$167.9 million in the first half of FY2025; this can be attributed mainly to the slump in transaction prices and a rise in rental yields of comparable properties in the market. This represents a decrease of 3.6% in comparison to the assessed value as of 30 September 2024.

CHAIRMAN'S STATEMENT

PROSPECTS

Amidst the difficult trade relationship between China and the U.S. and an uncertain global business environment, the first half of 2025 has remained challenging for Hong Kong's economy and real estate market: office buildings still face sustained difficulties in ramping up occupancy and rent as businesses continue to be constrained by persistent high interest rates and low liquidity. Meanwhile, recovery of the retail sector continues to be hampered by weak consumption as both residents and tourists refrain from high expenditures. This is exacerbated by the increasingly established norm of Hong Kongers choosing Shenzhen – over Hong Kong – as their preferred destination for food, leisure and spending as they seek greater recreational offerings at lower price points.

Despite the challenges highlighted above, there are some encouraging signs that a new page may be turning for Hong Kong's economic prospects. Buoyed by the slow but steady economic recovery of mainland China, Hong Kong's tourist and cross-boundary business activities in the first quarter of 2025 have struck new highs in the post-pandemic era. Recent monetary easing measures promulgated by the central government and successive technological breakthroughs by Chinese companies have provided a much needed jolt to Hong Kong's rejuvenation as a key finance and service hub, evident in an increased net flow of mainland and overseas investment recorded over the past few months. The evolving global trade war initiated by the U.S. also appears to solidify the city's role as a key intermediary between mainland China and the global community at-large, as both seek to stabilize economic and trade ties with each other in the face of erratic U.S. trade policies. We are thankful that the Group's rental performance for the first half of FY2025 has been able to reflect these positive trends, as occupancy and rental income have been able to remain healthy and stable across our office and residential properties.

All in all, we look forward to the sustainable recovery of Hong Kong and mainland China's economies, and shall work tirelessly over the remainder of FY2025 to deliver the best results for our valued Shareholders.

Wong Tat Chang, Abraham
Chairman and Managing Director

Hong Kong, 22 May 2025

GENERAL AND CORPORATE GOVERNANCE INFORMATION

FINANCIAL REVIEW

Liquidity and financial resources

As at 31 March 2025, the Group's total bank borrowings, which were denominated in HK\$, were HK\$415.8 million (30 September 2024: HK\$374.0 million). Since all the bank borrowings contain repayment on demand clauses at the discretion of the relevant banks and the Group, as a borrower, has no right to defer the settlement of the relevant bank borrowings. Accordingly, all the bank borrowings are classified as under current liabilities.

The Group's total time deposits, bank balances and cash amounted to HK\$72.5 million (30 September 2024: HK\$83.2 million). A portion of them was denominated in RMB of approximately RMB13.1 million (30 September 2024: HK\$13.0 million) and remittance of these funds out of the mainland China was subject to the exchange control restrictions imposed by the mainland China government. As at 31 March 2025, the Group had unutilised banking facilities of HK\$1,124.5 million, which will provide adequate funding for the Group's operational and capital expenditure requirements.

The shareholders' funds were HK\$4,454.1 million (30 September 2024: HK\$4,623.1 million). The debt to equity ratio was 9.3%, as compared with 8.1% as at 30 September 2024.

The maturity profile of the Group's total bank borrowings, which is based on the scheduled repayment dates set out in the respective loan agreements, is set out as follows:

	31.3.2025	30.9.2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Repayable:		
Within one year	170.8	192.9
After one year but within two years	8.4	5.6
After two years but within five years	225.7	163.9
After five years	10.9	11.6
	<hr/>	<hr/>
	415.8	374.0
	<hr/>	<hr/>

The bank borrowings carry interest at the Hong Kong Interbank Offer Rate (HIBOR) plus a margin.

Charge on assets

As at 31 March 2025, (i) investment properties of the Group with a total carrying amount of approximately HK\$4,225.5 million (as at 30 September 2024: approximately HK\$4,385.5 million); and (ii) ownership interests in leasehold land held for own use and building of the Group with a total carrying amount of approximately HK\$1.7 million (as at 30 September 2024: approximately HK\$1.8 million) were pledged to banks to secure the general banking facilities granted to the Group.

GENERAL AND CORPORATE GOVERNANCE INFORMATION

TREASURY POLICIES

During the Period, there were no significant changes in the Group's treasury policies.

The principal investment objectives of the Company are to seek capital appreciation with a view to enhancing the application of the Group's surplus funds in accordance with our policies for financial investments and for hedging purpose. For short-term cash investments with horizon of not more than one year, the surplus cash is intended to place as time deposits in licensed banks in Hong Kong or investment in debt or similar financial instruments with a pre-determined minimum credit rating. Any other longer term investments made by the Group from its surplus funds are intended to be financial investments with horizon of over one year, with no fixed cut-off period for equities, and up to 7 years for debt instruments, private equity and private equity funds.

To mitigate foreign exchange risk associated with the Group's RMB financial assets and to manage funding costs linked to HIBOR interest rate exposure, the Group engaged in a suitable hedging product with a financial institution, in accordance with its treasury policies during the Period.

Commitments

Particulars of the Group's commitments are set out in note 14 to the condensed consolidated interim financial statements of the Company for the Period (the "Condensed Consolidated Interim Financial Statements").

Employees and Remuneration Policies

As at 31 March 2025, the Group had 118 employees (as at 30 September 2024: 115). The staff remuneration, including Directors' emoluments and other employee expenses for the Period amounted to approximately HK\$16.2 million (2024: HK\$16.4 million). There has been no change in the employment and remuneration policies of the Group and the Group does not have any share option scheme for the employees (including the Directors).

The Group recognises the importance of maintaining a stable staff force for its continued success. Under the Group's existing policies, the employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to the employees based on their merit and in accordance with the industry practice. Other benefits, including free hospitalisation insurance plan, subsidised medical care and training programmes are offered to the eligible employees.

GENERAL AND CORPORATE GOVERNANCE INFORMATION

CONNECTED TRANSACTION

On 15 December 2022, Pokfulam Property Management Limited, a wholly-owned subsidiary of the Company, entered into a construction contract with B.L. Wong & Co., Ltd. (the "Contractor") to engage the Contractor to perform certain renovation works for an industrial building (the "Building") at a contract sum of HK\$4,688,000 (the "Contract Sum" and the "Construction Contract", respectively). The Construction Contract was finalized during the Period, with both parties agreeing on a finalised contract sum of HK\$6,381,000. The Building is situated at China Paint Building, No. 1163 Canton Road, No. 5B Arran Street, Mong Kok, Kowloon, Hong Kong and is partially owned by Metrocenter Holdings Limited, a wholly-owned subsidiary of the Company. The Contractor is beneficially owned by the Executive Directors in equal shares. Accordingly, the Contractor is an associate of the Executive Directors and a connected person of the Company pursuant to Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively). The Construction Contract, therefore, constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Contract Sum was more than 0.1% but less than 5%, the Construction Contract was subject to the reporting and announcement requirements but was exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Construction Contract was approved by the Board. In view of their interests in the Contractor, each of the Executive Directors was considered to have a material interest in the Construction Contract and, therefore, they abstained from voting at the meeting of the Board convened for considering and approving the Construction Contract. Further details regarding the Construction Contract were set out in the Company's announcement dated 15 December 2022.

Save as disclosed above, there were no discloseable non-exempted connected transaction or non-exempted continuing connected transaction of the Company under the Listing Rules during the Period and up to the date of this report. None of the "Related Party Transactions" as disclosed in note 17 to the Condensed Consolidated Interim Financial Statements constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules and the Company had complied with the relevant requirements of Chapters 14 and 14A of the Listing Rules during the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate governance

Throughout the Period, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, save for the following:

Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Although Mr. Wong Tat Chang, Abraham holds both the positions of chairman of the Board (the "Chairman") and Managing Director, the Board considers that vesting the roles of both Chairman and Managing Director in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considers that the current Board composition, where more than one-third of the Board are represented by independent non-executive Directors (the "INEDs"), and corporate governance structure ensure effective oversight of management.

GENERAL AND CORPORATE GOVERNANCE INFORMATION

The Board will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and Managing Director, are necessary.

The INEDs are not appointed for a specific term, but are subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company.

Model code for securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as the code for dealing in the securities of the Company by the Directors. Following specific enquiries made with all Directors by the Company, all of them confirmed that they had complied with the required standards set out in the Model Code throughout the Period.

Purchase, sale or redemption of the Company's listed securities

During the Period, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such securities.

Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO")), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to the Model Code, notified to the Company and the Stock Exchange, were as follows:

(a) Long position interests in the Shares

Name of Directors/chief executive	Number of Shares/underlying Shares interested			Total	Approximate percentage of the issued Shares
	Personal interests	Family interests	Other interests		
		<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>
Wong Tat Chang, Abraham	450,800	–	80,633,866	81,084,666	73.6%
Wong Tat Kee, David	–	–	80,633,866	80,633,866	73.2%
Wong Tat Sum, Samuel	556,000	28,800	80,633,866	81,218,666	73.7%

GENERAL AND CORPORATE GOVERNANCE INFORMATION

(b) Long position in the shares of interests in EHL, a subsidiary of the Company

Name of Directors/chief executive	Number of ordinary shares held		Approximate percentage of interest in the issued shares of EHL
	Personal interests	Total	
Wong Tat Chang, Abraham	10	10	0.1%

Notes:

- (1) Mr. Wong Tat Sum, Samuel, an Executive Director, is deemed to be interested in 28,800 Shares, being the interest held beneficially by his wife.
- (2) Shares included in other interests are beneficially owned by the discretionary trusts, of which Messrs. Wong Tat Chang, Abraham, Wong Tat Kee, David and Wong Tat Sum, Samuel are beneficiaries and the number of Shares in each of the above trust companies are duplicated for each of these three Executive Directors.
- (3) The percentage represents the total number of Shares interested divided by the number of issued Shares of 110,179,385 as at 31 March 2025.

Save as disclosed above, as at 31 March 2025, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, recorded in the register referred to therein; or (c) pursuant to the Model Code, notified to the Company and the Stock Exchange.

Substantial Shareholders' interests and short positions in the Shares and underlying Shares

As at 31 March 2025, other than the interests which would be required to be disclosed under the provision of Divisions 2 and 3 of Part XV of the SFO in respect of the Directors or the chief executive, the Company had not been notified by any entity or person, not being a Director or the chief executive of the Company, of having 5% or more of the interests or short positions in the Shares and underlying Shares as required to be recorded in the register pursuant to section 336 of the SFO.

Changes of Directors' or chief executive's information under Rule 13.51B(1) of the Listing Rules

On 11 December 2024, the Group appointed Ms. Sung Kwan Yuk, Katherine as an Executive Director of the Company. Her information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules were set out in the Company's announcement dated 11 December 2024.

With effect from 1 January 2025, the monthly remuneration (excluding the director's fee and the remuneration of the Board Committees) of Mr. Wong Tat Chang, Abraham and Ms. Sung Kwan Yuk, Katherine has been adjusted to HK\$182,000 and HK\$61,000, respectively.

There was no other change of Directors' or chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

GENERAL AND CORPORATE GOVERNANCE INFORMATION

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

- (a) Pursuant to a facility agreement dated 15 November 2022 and a supplemental facility agreement dated 11 September 2024 entered into amongst Patricus Limited, a wholly-owned subsidiary of the Company, as borrower, the Company as guarantor and The Hongkong and Shanghai Banking Corporation Limited as lender (the "HSBC Facility Agreement"), a property mortgaged loan facility of HK\$70 million (the "HSBC Facility") was made available by the lender to Patricus Limited on the terms contained therein.

Under the terms of the HSBC Facility Agreement, if Mr. Wong Tat Chang, Abraham, Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel, in aggregate, cease to beneficially own (directly or indirectly) at least 51% of the issued share capital of the Company and/or cease to be entitled to exercise management control on the Company, the commitments under the HSBC Facility may be cancelled and the amounts outstanding, together with accrued interest and other amounts (if any) payable, under the HSBC Facility may become immediately due and repayable.

- (b) Pursuant to a facility agreement dated 17 March 2023 entered into amongst the Company and/or Patricus Limited, as borrowers, the Company as guarantor and Industrial and Commercial Bank of China (Asia) Limited as lender (the "ICBC Facility Agreement"). Pursuant to the ICBC Facility Agreement, loan facilities with an aggregate amount of HK\$219 million (the "ICBC Facility") were made available by the lender to the Company and/or Patricus Limited on the terms contained therein.

Under the terms of the ICBC Facility Agreement, if Mr. Wong Tat Chang, Abraham, Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel, in aggregate, maintain beneficial ownership (directly or indirectly) of less than 50% of the issued share capital of the Company, the commitments under the ICBC Facility may be cancelled and the amounts outstanding, together with accrued interest and other amounts (if any) payable, under the ICBC Facility may become immediately due and repayable.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to the Interim Dividend, the Register of Members will be closed from Tuesday, 10 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the Interim Dividend, non-registered Shareholders must lodge all properly completed and stamped transfer documents accompanied by the relevant share certificates with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 9 June 2025.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The audit committee of the Board (the "Audit Committee") comprises all INEDs. The Audit Committee has reviewed the results of the Group for the Period (including the Condensed Consolidated Interim Financial Statements) and this interim report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 31 MARCH 2025

	NOTES	Six months ended	
		31.3.2025	31.3.2024
		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	85,927	83,355
Other income and gains	4	8,033	10,440
Costs:			
Property and related costs			
– property investment		(7,792)	(9,578)
– property management		(4,035)	(5,342)
Trading of goods costs		(18,026)	(16,674)
Staff costs		(16,150)	(16,362)
Other expenses		(10,870)	(10,905)
		(56,873)	(58,861)
Profit before changes in fair value of financial assets at fair value through profit or loss and investment properties		37,087	34,934
Increase/(decrease) in fair value of financial assets at fair value through profit or loss		20,090	(1,000)
Decrease in fair value of investment properties	10	(167,948)	(232,988)
		(110,771)	(199,054)
Finance costs on bank borrowings	5	(9,789)	(11,544)
Share of loss of joint venture		(6,449)	(3,529)
Loss before income tax	6	(127,009)	(214,127)
Income tax expense	7	(3,964)	(4,323)
Loss for the period		(130,973)	(218,450)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 31 MARCH 2025

		Six months ended	
		31.3.2025	31.3.2024
NOTE		HK\$'000 (unaudited)	HK\$'000 (unaudited)
Other comprehensive (loss)/income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value on equity instrument designated at fair value through other comprehensive income, net of tax			
		(2,613)	154
<i>Items that may be reclassified subsequently to profit or loss:</i>			
(Loss)/gain arising on translation of financial statements of foreign operations			
		(3,618)	760
Exchange (loss)/gain arising from long term advances to a joint venture			
		(112)	92
Other comprehensive (loss)/income for the period, net of tax		(6,343)	1,006
Total comprehensive loss for the period		(137,316)	(217,444)
Loss for the period attributable to:			
Owners of the Company		(130,974)	(218,444)
Non-controlling interests		1	(6)
		(130,973)	(218,450)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(137,317)	(217,438)
Non-controlling interests		1	(6)
		(137,316)	(217,444)
		HK\$	HK\$
Loss per share - basic	9	(1.19)	(1.98)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2025

		31.3.2025	30.9.2024
	<i>NOTES</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
Non-current Assets			
Investment properties	10	4,517,785	4,685,989
Property, plant and equipment	10	13,550	13,992
Interests in joint venture		22,764	32,431
Amount due from a joint venture		116,525	115,580
Financial assets at fair value through profit or loss	16	135,683	77,456
Equity instrument designated at fair value through other comprehensive income	16	14,555	17,168
		4,820,862	4,942,616
Current Assets			
Inventories		15,852	16,750
Financial assets at fair value through profit or loss	16	61,787	55,123
Trade and other receivables	11	13,847	11,234
Deposits and prepayments		4,838	7,911
Time deposits with maturity over three months		35,777	44,827
Bank balances and cash		36,753	38,373
		168,854	174,218
Current Liabilities			
Trade and other payables	12	17,340	21,877
Contract liabilities		7,068	6,731
Rental and management fee deposits		25,682	25,308
Provision for taxation		5,967	2,853
Bank borrowings, secured	13	415,831	374,048
		471,888	430,817
Net Current Liabilities		(303,034)	(256,599)
Total Assets less Current Liabilities		4,517,828	4,686,017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2025

	31.3.2025	30.9.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Capital and Reserves		
Share capital	146,134	146,134
Reserves	4,307,961	4,476,965
Equity attributable to owners of the Company	4,454,095	4,623,099
Non-controlling interests	17	16
Total Equity	4,454,112	4,623,115
Non-current Liability		
Deferred taxation	63,716	62,902
	4,517,828	4,686,017

The Condensed Consolidated Interim Financial Statements on pages 13 to 34 were approved and authorised for issue by the Board on 22 May 2025 and are signed on its behalf by:

Wong Tat Chang, Abraham
*CHAIRMAN, MANAGING DIRECTOR
 AND EXECUTIVE DIRECTOR*

Wong Tat Sum, Samuel
EXECUTIVE DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Attributable to owners of the Company						Non- controlling interests	Total
	Share capital	Translation reserve*	Investment revaluation reserve (non-recycling)*	Retained profits*	Sub-total			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		
At at 1 October 2023 (audited)	146,134	919	1,075	5,102,126	5,250,254	26	5,250,280	
Loss for the period	–	–	–	(218,444)	(218,444)	(6)	(218,450)	
Other comprehensive income for the period:								
Changes in fair value on equity instrument designated at fair value through other comprehensive income ("FVOCI")	–	–	154	–	154	–	154	
Exchange gain arising on translation of financial statements of foreign operations	–	760	–	–	760	–	760	
Exchange gain arising from long term advances to a joint venture	–	92	–	–	92	–	92	
Total comprehensive income for the period	–	852	154	(218,444)	(217,438)	(6)	(217,444)	
Dividend paid	–	–	–	(37,461)	(37,461)	–	(37,461)	
As at 31 March 2024 (unaudited)	146,134	1,771	1,229	4,846,221	4,995,355	20	4,995,375	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Attributable to owners of the Company						
	Share capital	Translation reserve*	Investment revaluation reserve (non-recycling)*	Retained profits*	Sub-total	Non-controlling interests	Total
At at 1 October 2024 (audited)	146,134	4,643	9,168	4,463,154	4,623,099	16	4,623,115
Loss for the period	-	-	-	(130,974)	(130,974)	1	(130,973)
Other comprehensive loss for the period:							
Changes in fair value on equity instrument designated at FVOCI	-	-	(2,613)	-	(2,613)	-	(2,613)
Exchange loss arising on translation of financial statements of foreign operations	-	(3,618)	-	-	(3,618)	-	(3,618)
Exchange loss arising from long term advances to a joint venture	-	(112)	-	-	(112)	-	(112)
Total comprehensive loss for the period	-	(3,730)	(2,613)	(130,974)	(137,317)	1	(137,316)
Forfeiture of unclaimed dividend	-	-	-	3,570	3,570	-	3,570
Dividend paid	-	-	-	(35,257)	(35,257)	-	(35,257)
As at 31 March 2025 (unaudited)	146,134	913	6,555	4,300,493	4,454,095	17	4,454,112

* These reserve accounts comprise the consolidated reserves of approximately HK\$4,307,961,000 in the condensed consolidated statement of financial position as at 31 March 2025 (30 September 2024: HK\$4,476,965,000).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

	Six months ended	
	31.3.2025	31.3.2024
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Net cash generated from operating activities	38,340	36,798
Investing activities		
Placement of time deposits with maturity over three months	(41,267)	(40,679)
Release of time deposits with maturity over three months	49,970	39,479
Dividend received from equity instrument designated at FVOCI	2,083	2,091
Proceeds on disposal of financial assets at fair value through profit or loss ("FVTPL")	28,439	2,859
Investment in financial asset at FVTPL	(73,211)	(15,328)
Addition of investment properties	(2,470)	(3,046)
Proceed on disposal of property, plant and equipment	335	–
Other investing cash flows	(556)	(1,543)
Net cash used in investing activities	(36,677)	(16,167)
Financing activities		
New bank borrowings	115,000	15,000
Repayment of bank borrowings	(73,217)	(12,684)
New bank overdraft, net	–	9,536
Dividend paid	(35,257)	(37,461)
Interest paid	(9,789)	(11,544)
Net cash used in financing activities	(3,263)	(37,153)
Net decrease in cash and cash equivalents	(1,600)	(16,522)
Cash and cash equivalents at the beginning of the period	38,373	61,110
Effect of foreign exchange rate changes	(20)	65
Cash and cash equivalents at the end of the period, represented by bank balances and cash	36,753	44,653
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	33,741	36,448
Time deposits with original maturity less than three months	3,012	8,205
	36,753	44,653

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

1. GENERAL

Pokfulam Development Company Limited (the “Company”) is a public limited liability company incorporated in Hong Kong and its issued shares (the “Shares”) are listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company and its subsidiaries are together referred to as the Group.

The principal activities of the Company are property investment and investment holding. The principal activities of the Group are property investment and management, trading of visual and sound equipment, and securities investment.

The address of the registered office and the principal place of business of the Company is 23rd Floor, Beverly House, 93-107 Lockhart Road, Wanchai, Hong Kong.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months ended 31 March 2025 (the “Period” and “Condensed Consolidated Interim Financial Statements”, respectively) have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The Condensed Consolidated Interim Financial Statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. The Condensed Consolidated Interim Financial Statements contain 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 Group’s audited annual consolidated financial statements for the year ended 30 September 2024 (the “Year 2024” and the “2024 Audited Financial Statements”, respectively). The Condensed Consolidated Interim Financial Statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance to Hong Kong Financial Reporting Standards (“HKFRS Accounting Standards”), and should be read in conjunction with the 2024 Audited Financial Statements.

The financial information relating to Year 2024 that is included in the Condensed Consolidated Interim Financial Statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong (the “Companies Ordinance”) is as follows:

The Company has delivered the 2024 Audited Financial Statements to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s independent auditor (the “Independent Auditor”) has reported on the 2024 Audited Financial Statements. The Independent Auditor’s report was unqualified, did not include a reference to any matters to which the Independent Auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

The Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate. Historical cost is generally based on the fair value of consideration for goods and services.

The Condensed Consolidated Interim Financial Statements have been prepared with the same accounting policies adopted in the 2024 Audited Financial Statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 October 2024.

The Group had net current liabilities of approximately HK\$303,034,000 as at 31 March 2025. Included in the Group's current liabilities as at 31 March 2025 were the Group's bank borrowings of HK\$415,831,000 subject to demand clause as set out in note 13 to the Condensed Consolidated Interim Financial Statements.

The Condensed Consolidated Interim Financial Statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future taking into account of the unutilised available banking facilities of approximately HK\$1,124,533,000 (note 13 to the Condensed Consolidated Interim Financial Statements) as at 31 March 2025. As at 31 March 2025, the directors of the Company (the "Directors") believe that the Group has adequate resources to continue operation for the foreseeable future of not less than twelve months from the end of the reporting period, and they do not believe that the loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the banking facility letters. This evaluation was made considering: the financial position of the Group at the date of approval of the Condensed Consolidated Interim Financial Statements; the Group's compliance with the loan covenants; the lack of events of default; and the fact that the Group has made all previously scheduled repayments on time. Therefore, they are of the opinion that it is appropriate to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements.

During the Period, the Group has adopted all the new and amended HKFRS Accounting Standards which are first effective for the reporting period and relevant to the Group. The new or amended HKFRS Accounting Standards that are effective from 1 October 2024 did not have any material effect on the Group's accounting policies.

No new/revised HKFRS Accounting Standards that have been issued but are not yet effective have been early adopted by the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

3. SEGMENT INFORMATION

The Group's operating segments based on the information reported to the chief operating decision maker (the "CODM") (i.e. the managing director of the Company) for the purposes of resource allocation and performance assessment are as follows:

Property investment and management	–	letting and management of commercial, industrial and residential properties
Trading of goods	–	trading of visual and sound equipment
Securities investment	–	investment in securities

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

For the six months ended 31 March 2025

	Property investment and management	Trading of goods	Securities investment	Segment total	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE						
External	58,773	23,281	3,873	85,927	–	85,927
Inter-segment	984	115	–	1,099	(1,099)	–
	59,757	23,396	3,873	87,026	(1,099)	85,927
Segment (loss)/profit (Notes (i) and (ii))	(133,518)	1,376	23,868	(108,274)	–	(108,274)
Unallocated other income and gains						8,033
Corporate expenses						(10,530)
Finance costs on bank borrowings						(9,789)
Share of loss of joint venture						(6,449)
Loss before income tax						(127,009)

Notes: i. Segment loss of property investment and management business included a decrease in fair value of investment properties of approximately HK\$167,948,000.

ii. Segment profit of securities investment business included a increase in fair value of financial assets at FVTPL of approximately HK\$20,090,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

3. SEGMENT INFORMATION (CONTINUED)

For the six months ended 31 March 2024

	Property investment and management	Trading of goods	Securities investment	Segment total	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE						
External	58,875	20,278	4,202	83,355	–	83,355
Inter-segment	984	10	–	994	(994)	–
	59,859	20,288	4,202	84,349	(994)	83,355
Segment (loss)/profit (Notes (i) and (ii))	(193,078)	(1,327)	1,089	(193,316)	–	(193,316)
Unallocated other income and gains						10,440
Corporate expenses						(16,178)
Finance costs on bank borrowings						(11,544)
Share of loss of joint venture						(3,529)
Loss before income tax						(214,127)

Notes: i. Segment loss of property investment and management business included a decrease in fair value of investment properties of approximately HK\$232,988,000.

ii. Segment profit of securities investment business included a decrease in fair value of financial assets at FVTPL of approximately HK\$1,000,000.

Inter-segment revenue is charged at mutually agreed terms.

Segment profit/(loss) represents the profit made/(loss incurred) by each segment without allocation of certain other income and gains (mainly including interest income, dividend income from equity instrument designated at FVOCI and exchange gain), corporate expenses, finance costs and share of loss of joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

No segment assets and liabilities are presented as the information is not regularly reported to the CODM in the resource allocation and assessment of performance.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

3. SEGMENT INFORMATION (CONTINUED)

An analysis of revenue is as follows:

	Six months ended	
	31.3.2025	31.3.2024
	HK\$'000	HK\$'000
Revenue from contracts with customers:		
– Sales of goods	23,281	20,278
– Building management services	7,007	5,177
	30,288	25,455
Revenue from other sources:		
– Rental income	51,766	53,698
– Dividend income	3,873	4,202
	55,639	57,900
Total revenue	85,927	83,355

The following table provides information about timing of revenue recognition:

	Property investment and management		Trading of goods		Securities investment		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024	31.3.2025	31.3.2024	31.3.2025	31.3.2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At a point in time	–	–	23,281	20,278	–	–	23,281	20,278
Over time	7,007	5,177	–	–	–	–	7,007	5,177
	7,007	5,177	23,281	20,278	–	–	30,288	25,455
Revenue from other sources	51,766	53,698	–	–	3,873	4,202	55,639	57,900
	58,773	58,875	23,281	20,278	3,873	4,202	85,927	83,355

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

4. OTHER INCOME AND GAINS

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income from equity instrument designated at FVOCI	2,083	2,091
Imputed interest income on amount due from a joint venture	4,595	4,785
Interest income		
– Bank deposits	824	1,722
– Listed debt securities at FVTPL	50	–
Sundry income	481	422
Exchange gain	–	1,420
	8,033	10,440

5. FINANCE COSTS ON BANK BORROWINGS

The amounts represent interests on bank borrowings.

6. LOSS BEFORE INCOME TAX

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before income tax has been arrived at after charging/(crediting):		
Depreciation on property, plant and equipment:		
– owned property, plant and equipment	577	669
– right-of-use-assets, including within leasehold land in Hong Kong under long-term lease	4	4
Loss on disposal of property, plant and equipment	82	6
Provision for/(reversal of) impairment on trade and other receivables	221	(564)
Provision for impairment on amounts due from joint venture	937	7,415

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

7. INCOME TAX EXPENSE

	Six months ended	
	31.3.2025	31.3.2024
	HK\$'000	HK\$'000
Current tax		
– Hong Kong Profits Tax	3,080	2,696
– The People's Republic of China (the "PRC") Enterprise Income Tax (the "EIT")	70	72
Deferred tax	814	1,555
	3,964	4,323

Hong Kong profits tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong, except that the first HK\$2,000,000 of qualified group entity's assessable profit is calculated at 8.25% (2024: 8.25%), which is in accordance with the two-tiered profits tax rates regime.

The Company's subsidiaries in the PRC are subject to the PRC EIT. The applicable PRC EIT rate for the PRC subsidiaries is 25% (2024: 25%) for the six months ended 31 March 2025.

8. DIVIDEND

In February 2025, the final dividend in respect of Year 2024 of HK32 cents (2024: HK34 cents in respect of the financial year ended 30 September 2023) per ordinary share, totalling HK\$35,257,000 (2024: HK\$37,461,000), was paid to the shareholders of the Company (the "Shareholders").

Subsequent to the end of the Period, the board of Directors has determined that an interim dividend in respect of the financial year ending 30 September 2025 of HK4 cents (2024: HK4 cents) per ordinary share, totalling HK\$4,407,000 (2024: HK\$4,407,000) will be paid to the Shareholders whose names will appear on the Company's register of members on 12 June 2025.

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$130,974,000 (six months ended 31 March 2025: approximately HK\$218,444,000) and on 110,179,385 (six months ended 31 March 2024: 110,179,385) Shares in issue during the Period.

There were no potential ordinary shares in issue during both six months periods and at the end of both reporting periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

10. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties as at 31 March 2025 were carried at fair value as estimated using direct comparison method or income capitalisation method, where appropriate. The decrease in fair value of approximately HK\$167,948,000 (six months ended 31 March 2024: HK\$232,988,000) has been recognised directly in profit or loss for the Period.

During the Period, the Group had incurred additional costs on investment properties as well as property, plant and equipment at a total cost of approximately HK\$2,470,000 and approximately HK\$556,000, respectively (six months ended 31 March 2024: approximately HK\$3,046,000 and approximately HK\$1,562,000, respectively).

11. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables as at 31 March 2025 were trade receivables of HK\$4,547,000 (30 September 2024: HK\$3,630,000). The following is an aged analysis of trade receivables, net of provision, presented based on the invoice date at the end of the reporting periods:

	31.3.2025	30.9.2024
	HK\$'000	HK\$'000
0 – 30 days	1,842	2,758
31 – 60 days	2,594	184
61 – 90 days	75	48
Over 90 days	36	640
	<u>4,547</u>	<u>3,630</u>

Before accepting any new customer, the Group will assess the potential customer's credit quality. Limits attributed to customers are reviewed once a year. The Group's trade receivables that are neither past due nor impaired have the best credit quality by reference to respective settlement history.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

12. TRADE AND OTHER PAYABLES

Included in the trade and other payables as at 31 March 2025 were trade payables of HK\$1,303,000 (30 September 2024: HK\$1,506,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting periods, and the respective total balances of trade payables comprise:

	31.3.2025	30.9.2024
	HK\$'000	HK\$'000
0 – 30 days	902	532
31 – 60 days	–	241
61 – 90 days	42	292
Over 90 days	359	441
	1,303	1,506

13. BANK BORROWINGS, SECURED

During the six months ended 31 March 2025, the Group obtained bank borrowing of HK\$115,000,000 and repaid loan of approximately HK\$73,217,000. In accordance with relevant terms and clauses as stipulated in the banking facilities letters, the Group's bank borrowings contain repayment on demand clauses at the discretion of the relevant banks and the Group, as a borrower, has no right to defer the settlement of the relevant bank borrowings as at 31 March 2025. Accordingly, the bank borrowings are shown under current liabilities at the end of the reporting period.

The bank borrowings carry interests at Hong Kong Interbank offered Rate (HIBOR) plus certain basis points and are denominated in HK\$, which are the functional currency of the relevant group entities.

The bank borrowings were secured by the Group's certain investment properties amounting to approximately HK\$3,729,000,000 (30 September 2024: HK\$3,873,500,000) and ownership interests in leasehold land held for own use and building of the Group with a total carrying amount of approximately HK\$1,695,000 (30 September 2024: HK\$1,751,000) as at 31 March 2025.

As at 31 March 2025, the Group has unutilised banking facilities of HK\$1,124,533,000 (30 September 2024: HK\$1,170,539,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

14. COMMITMENTS

At the end of the reporting periods, the Group had the following commitments:

	31.3.2025	30.9.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted, but not provided for:		
Property renovation costs	1,754	1,934
Investment in unlisted equity instruments	11,068	11,068
	<u>12,822</u>	<u>13,002</u>

15. PLEDGE OF ASSETS

As at 31 March 2025, (i) investment properties of the Group with a total carrying amount of approximately HK\$4,225,500,000 (30 September 2024: approximately HK\$4,385,500,000); and (ii) ownership interests in leasehold land held for own use and building of the Group with a total carrying amount of approximately HK\$1,695,000 (30 September 2024: approximately HK\$1,751,000) were pledged to banks to secure the general banking facilities granted to the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and the 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 is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market 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 assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets	Fair value	Fair value measurements as at		
	as at 31 March 2025	31 March 2025 categorised into		
		Level 1	Level 2	Level 3
	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000
Financial assets measured at FVTPL:				
Current portion				
– Listed equity securities (Note)	58,234	58,234	–	–
– Listed debt securities (Note)	3,553	3,553	–	–
Non-current portion				
– Unlisted fund instruments	135,683	–	–	135,683
Equity instrument designated at FVOCI:				
Non-current portion				
– Unlisted equity investment	14,555	–	–	14,555

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets	Fair value as at 30 September 2024	Fair value measurements as at 30 September 2024 categorised into		
	<i>HK\$'000</i>	Level 1 <i>HK\$'000</i> (Note)	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>
Financial assets measured at FVTPL:				
Current portion				
– Listed equity securities (Note)	52,061	52,061	–	–
– Listed debt securities (Note)	3,062	3,062	–	–
Non-current portion				
– Unlisted fund instruments	77,456	–	–	77,456
Equity instrument designated at FVOCI:				
Non-current portion				
– Unlisted equity investment	17,168	–	–	17,168

Note:

Fair values of these investments have been determined by reference to their quoted bid prices as at the end of the reporting periods.

Reconciliation of Level 3 fair value measurement of financial assets:

	Unlisted equity investment classified as equity instrument designated at FVOCI <i>HK\$'000</i>	Unlisted fund instruments classified as financial assets at FVTPL <i>HK\$'000</i>
At 1 October 2023	9,075	94,805
Addition during the year	–	941
Change in fair value, recognised in other comprehensive income	8,093	–
Change in fair value, recognised in profit or loss	–	(18,290)
At 30 September 2024 and at 1 October 2024	17,168	77,456
Addition during the period	–	39,113
Change in fair value, recognised in other comprehensive income	(2,613)	–
Change in fair value, recognised in profit or loss	–	19,114
At 31 March 2025	14,555	135,683

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2025

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is the table setting out quantitative information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value as at		Valuation technique(s)	Unobservable input		Range (weighted average)		Relationship of unobservable inputs to fair value
	31.3.2025	30.9.2024		31.3.2025	30.9.2024	31.3.2025	30.9.2024	
	HK\$'000	HK\$'000						
Financial assets measured at FVTPL								
Unlisted fund instrument	39,269	32,956	Adjusted asset-based approach	Discount rate for lack of control	Discount rate for lack of control	26.09%	26.09%	A slight increase in the discount rate would result in an insignificant decrease in the fair value, and vice versa
Unlisted fund instruments	57,360	44,500	Market approach	Discount rate for lack of marketability	Discount rate for lack of marketability	11.40% to 15.60%	11.40% to 15.70%	A slight increase in the discount rate would result in an insignificant decrease in the fair value, and vice versa
Unlisted fund instruments	39,054	–	Asset-based approach	Net asset value	N/A	N/A	N/A	The higher the net asset value of the underlying investments, the higher the fair value, and vice versa.
Equity instrument designated at FVOCI								
Unlisted equity investment	14,555	17,168	Market approach	Discount rate for lack of marketability	Discount rate for lack of marketability	13.20%	13.20%	A slight increase in the discount rate would result in an insignificant decrease in the fair value, and vice versa

There were no transfers between levels during the six months ended 31 March 2025 and 31 March 2024.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities at amortised cost in the Condensed Consolidated Interim Financial Statements approximate to their fair values.

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FOR THE SIX MONTHS ENDED 31 MARCH 2025

17. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the Condensed Consolidated Interim Financial Statements, the following transactions were carried out by the Group with the related parties during the Period. The terms of the below transactions (a), (b) and (c) were mutually agreed by the Group and the related companies.

(a) Related party transactions with B.L. Wong & Company Limited ("B.L. Wong")

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Renovation fee paid to B.L. Wong	1,507	2,083
Rental income received from B.L. Wong	540	540
Property management fee received from B.L. Wong	117	117

Note: Mr. Wong Tat Chang, Abraham, Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel ("Mr. Samuel Wong"), who are the executive Directors, held interests in the Company and B.L. Wong.

(b) Related party transactions with Bowen Capital Limited ("Bowen")

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income received from Bowen	486	480
Property management fee received from Bowen	101	101

Note: Mr. Samuel Wong is the common director of the Company and Bowen. Bowen is beneficially owned by a close family member of Mr. Samuel Wong.

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FOR THE SIX MONTHS ENDED 31 MARCH 2025

17. RELATED PARTY TRANSACTIONS (CONTINUED)

- (c) Related party transactions with Bowen Capital (HK) Limited ("Bowen HK")

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Investment management fee paid to Bowen HK	269	233

Note: Bowen HK is beneficially owned by a close family member of Mr. Samuel Wong.

- (d) Compensation of key management personnel

Total remuneration of the Directors and other members of key management personnel of the Group during the Period was as follows:

	Six months ended	
	31.3.2025	31.3.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short term employee benefits	4,306	4,011
Retirement scheme contributions	44	40
	4,350	4,051