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## **HARBOUR CENTRE DEVELOPMENT LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 51

### **Interim Results Announcement for the half-year period ended 30 June 2025**

#### **GROUP RESULTS**

Underlying net loss amounted to HK\$86 million (2024: profit of HK\$74 million) mainly due to higher attributable impairment provision of HK\$211 million (2024: HK\$103 million) made for Development Properties (“DP”). Inclusive of net deficit of HK\$113 million (2024: HK\$82 million) on revaluation of Investment Properties (“IP”), Group loss attributable to equity shareholders was HK\$199 million (2024: HK\$8 million).

Basic loss per share was HK\$0.28 (2024: HK\$0.01).

#### **INTERIM DIVIDEND**

The Board of Directors of the Company (the “Board”) has resolved not to declare any interim dividend for the half-year period ended 30 June 2025 (2024: Nil).

#### **BUSINESS REVIEW**

Consumer spending in Hong Kong remained subdued throughout the period, reflecting persistent economic uncertainties. Meanwhile, outbound travel continued to savour the appeal of competitively priced regional destinations. These factors have collectively placed significant pressure on Hong Kong’s retail and hospitality sectors.

Nonetheless, flashes of encouraging signs of stabilisation have begun to emerge. Inbound visitor arrivals increased by 12% year-on-year in the first half. Hong Kong retail sales ended its long post-Covid slide in May with a 2.4% improvement over last year. Recent currency movements could further bolster domestic consumption if this trend continues.

In Mainland China, the hospitality sector continued to face headwinds amid sluggish economic growth and weak consumer sentiment. The situation is further exacerbated by intensifying competition from regional destinations, adding considerable operational pressure on domestic establishments.

## **Hong Kong**

### **Hotels**

The Murray, Hong Kong, a Niccolo Hotel (“The Murray”) and Marco Polo Hongkong Hotel (“MP Hong Kong”) recorded higher occupancy levels, which partially offset pressure on room rates and non-room revenue. Meanwhile, proactive cost management measures and service innovation initiatives continued to yield positive results, contributing to improvements in both revenue and profit. However, both properties are under-performing and call for investment of capital and/or operating expenditures to enhance their competitiveness.

### **Investment Properties**

Amid cautious consumer spending sentiment, the Group’s retail portfolio experienced downward pressure, with IP revenue and operating profit down by 22% and 23% respectively.

The portfolio was independently revalued as at 30 June 2025 and a net revaluation deficit of HK\$113 million was reported.

## **Mainland China**

### **Hotels**

Niccolo Suzhou continued to encounter persistent challenges in a weak market with intensified competition. Aggressive pricing strategies from regional operators exerted pressure on room rates, resulting in a decline in room revenue. Non-room revenue was similarly affected by subdued consumer spending sentiment.

### **Development Properties**

As of 30 June 2025, book value of unsold DP assets - primarily the slow-moving inventory at Suzhou International Finance Square (“SZIFS”) and Shanghai South Station JV project - totaled approximately RMB1.7 billion (equivalent to HK\$1.9 billion), representing approximately 12% of Group assets. Attributable contracted sales in the period amounted to only RMB19 million (equivalent to HK\$21 million).

During the period, attributable impairment provisions totaling HK\$211 million (2024: HK\$103 million) were made to mark down the unsold inventory to market value.

## OUTLOOK

Hong Kong's retail and tourism sectors are exhibiting early signs of potential recovery. However, consumer sentiment remains fragile, and competition from regional shopping and travel destinations continues to divert spending abroad.

In Mainland China, economic growth is expected to remain subdued, with cautious consumer spending patterns continuing to affect the luxury hospitality sector. Persistent competition within the hotel industry and a general reallocation of discretionary spending toward outbound travel present ongoing challenges.

The Group's strategy remains focused on enhancing operational efficiencies, elevating service quality, and optimising its asset portfolio. Efforts will continue to strengthen its competitive positioning while exploring strategic growth opportunities that align with long-term vision. Despite near-term headwinds, the Group's strong balance sheet provides a solid foundation for navigating the evolving market landscape.

## FINANCIAL REVIEW

### (I) Review of 2025 Interim Results

Group underlying net loss amounted to HK\$86 million (2024: profit of HK\$74 million) mainly due to higher attributable DP impairment provision of HK\$211 million (2024: HK\$103 million). DP loss widened to HK\$196 million (2024: HK\$34 million) and IP profit decreased by 21% to HK\$71 million (2024: HK\$90 million), despite Hotels loss narrowed by 35% to HK\$31 million (2024: HK\$48 million).

After attributable net IP revaluation deficit of HK\$113 million (2024: HK\$82 million), the Group reported a net loss of HK\$199 million (2024: HK\$8 million) attributable to equity shareholders.

#### Revenue and Operating Profit

Group revenue increased by 5% to HK\$654 million (2024: HK\$623 million) while operating profit decreased by 40% to HK\$125 million (2024: HK\$209 million) mainly due to DP.

Hotels revenue increased by 1% to HK\$426 million (2024: HK\$422 million) and operating loss reduced by 33% to HK\$29 million (2024: HK\$43 million). Hong Kong revenue increased by 4% to HK\$383 million (2024: HK\$370 million) and operating loss narrowed by 69% to HK\$11 million (2024: HK\$36 million) mainly attributable to increase in occupancy. Mainland revenue decreased by 17% to HK\$43 million (2024: HK\$52 million) and operating loss worsened to HK\$18 million (2024: HK\$7 million).

IP revenue decreased by 22% to HK\$96 million (2024: HK\$123 million) and operating profit by 23% to HK\$85 million (2024: HK\$111 million) primarily affected by lower retail rental income.

DP revenue increased to HK\$58 million (2024: HK\$8 million) with thin margin resulting in an operating loss of HK\$1 million (2024: profit of HK\$74 million).

Investments operating profit, mainly from dividend income, was HK\$70 million (2024: HK\$69 million).

#### IP Revaluation Change

The Group's IP were stated at fair value based on independent valuation as at 30 June 2025, resulting in a revaluation deficit of HK\$113 million (2024: HK\$82 million) in the consolidated income statement.

#### Other Net Charge

Other net charge of HK\$39 million (2024: HK\$1 million) primarily from impairment provision for DP project held by a subsidiary.

**Finance Costs**

Net finance costs decreased to HK\$7 million (2024: HK\$10 million) mainly due to the reduction in bank loans.

**Share of Results (after tax) of an Associate**

Attributable loss of an associate amounted to HK\$155 million (2024: HK\$113 million) after impairment provision of HK\$178 million (2024: HK\$103 million) for DP.

**Income Tax**

Taxation charge for the period was HK\$22 million (2024: HK\$20 million).

**Loss Attributable to Equity Shareholders**

Group loss attributable to equity shareholders for the period was HK\$199 million (2024: HK\$8 million). Loss per share was HK\$0.28 (2024: HK\$0.01) based on 708.8 million ordinary shares in issue.

Underlying net (loss)/profit (a performance indicator of the Group's major business segments and arrived at after excluding the attributable net IP revaluation deficit) attributable to equity shareholders was as below:

|   | <b>Six months ended 30 June</b> |                     |
|---|---------------------------------|---------------------|
|   | <b>2025</b>                     | <b>2024</b>         |
|   | <b>HK\$ Million</b>             | <b>HK\$ Million</b> |
| <b>Underlying net (loss)/profit</b>             | <b>(86)</b>                     | <b>74</b>           |
| Attributable net IP revaluation deficit         | <u><b>(113)</b></u>             | <u><b>(82)</b></u>  |
| <b>Loss attributable to equity shareholders</b> | <u><b>(199)</b></u>             | <u><b>(8)</b></u>   |

**(II) Review of Financial Position, Liquidity, Resources and Commitments****Shareholders' and Total Equity**

As at 30 June 2025, shareholders' equity increased to HK\$14,597 million (31 December 2024: HK\$14,217 million), equivalent to HK\$20.59 per share (31 December 2024: HK\$20.06 per share). The increase was mainly attributable to HK\$596 million surplus arising from investment revaluation net of reported loss. Including non-controlling interests, the Group's total equity amounted to HK\$14,700 million (31 December 2024: HK\$14,330 million).

Hotel properties are stated at cost less accumulated depreciation and impairment provision (if any) in accordance with prevailing HKFRS Accounting Standards ("HKFRSs"). Restating hotel properties based on independent valuation as at 30 June 2025 would give rise to a revaluation surplus of HK\$3,523 million and increase the Group's shareholders' equity as at 30 June 2025 to HK\$18,120 million, equivalent to HK\$25.57 per share.

### Assets and Liabilities

Group total assets amounted to HK\$16,090 million (31 December 2024: HK\$15,801 million). Business assets, excluding bank deposits and cash, totaled HK\$15,494 million (31 December 2024: HK\$15,370 million).

Geographically, HK\$12,288 million or 80% of total business assets were located in Hong Kong (31 December 2024: HK\$12,200 million or 79%) and HK\$1,900 million or 12% in Mainland China (31 December 2024: HK\$2,163 million or 14%).

### Hotels

Hotel properties, at cost less depreciation and impairment provision, amounted to HK\$6,350 million (31 December 2024: HK\$6,426 million), which comprised The Murray, MP Hong Kong, Niccolo Suzhou and Marco Polo Changzhou (“MP Changzhou”).

### Investment Properties

IP amounted to HK\$4,833 million (31 December 2024: HK\$4,946 million), which comprised MP Hong Kong’s commercial podium and Star House units.

### Development Properties for Sale/Interests in an Associate and a Joint Venture

Total DP amounted to HK\$859 million (31 December 2024: HK\$932 million), comprising SZIFS. In addition, those undertaken through an associate and a joint venture amounted to HK\$184 million (31 December 2024: HK\$336 million).

### Equity Investments

Equity investments were marked to market at HK\$3,051 million (31 December 2024: HK\$2,505 million), including mainly blue-chip equity investment held for long term capital growth and dividend return. The value of the whole portfolio represented 19% (31 December 2024: 16%) of the Group’s total assets and each investment within which was individually not material to the Group’s total assets. Marking these investments to market produced a net surplus of HK\$596 million (30 June 2024: deficit of HK\$421 million) as reflected in Other Comprehensive Income, of which certain equity investments was disposed and realised gain of HK\$5 million (30 June 2024: HK\$Nil) was transferred from Investments Revaluation Reserves directly to Revenue Reserves upon de-recognition.

The Group’s investment portfolio, analysed by industry sectors and by geographical locations, is as below:

|   | 30 June 2025<br>HK\$ Million | 31 December 2024<br>HK\$ Million |
|---|------------------------------|----------------------------------|
| <b>Analysed by industry sectors</b>       |                              |                                  |
| - Properties                              | 2,633                        | 2,171                            |
| - Others                                  | 418                          | 334                              |
| <b>Total</b>                              | <b>3,051</b>                 | <b>2,505</b>                     |
| <b>Analysed by geographical locations</b> |                              |                                  |
| - Hong Kong                               | 1,745                        | 1,498                            |
| - Overseas                                | 1,306                        | 1,007                            |
| <b>Total</b>                              | <b>3,051</b>                 | <b>2,505</b>                     |

**Net Cash**

As at 30 June 2025, the Group had net cash of HK\$167 million (31 December 2024: HK\$66 million), consisting of HK\$596 million in cash (mainly held in Hong Kong) and HK\$429 million in bank borrowings (drawn in Mainland China).

**Finance and Availability of Facilities and Funds**

The Group's debts were principally denominated in Hong Kong dollars ("HK\$"/"HKD") and Renminbi ("RMB") at floating rates.

As at 30 June 2025, the Group's available loan facilities amounted to HK\$1,333 million, of which HK\$429 million were utilised. Certain banking facilities amounting to RMB1,203 million (equivalent to HK\$1,319 million) (31 December 2024: RMB1,213 million (equivalent to HK\$1,310 million)) were secured by hotel and DP in the Mainland China.

The use of derivative financial instruments is strictly controlled. Instruments entered into by the Group are mainly used for managing and hedging interest rate and currency exposures.

The Group continued to maintain a reasonable level of surplus cash denominated principally in HKD and RMB to facilitate its business and investment activities. As at 30 June 2025, the Group also held a portfolio of liquid listed equity investments with an aggregate market value of HK\$3,051 million (31 December 2024: HK\$2,505 million), which is available for use if necessary.

**Net Cash Flows for Operating and Investing Activities**

For the period under review, the Group generated a net operating cash inflow of HK\$94 million (2024: HK\$25 million). For investing activities, the Group recorded a net cash inflow of HK\$44 million (2024: outflow of HK\$10 million), mainly from disposal of equity investments.

**Commitments to Capital and Development Expenditure**

As at 30 June 2025, major capital and development expenditure planned for the coming years was about HK\$314 million, mainly related to DP.

The above expenditure will be funded by internal financial resources, including cash currently on hand, as well as bank loans. Other available resources include equity investments that can be liquidated when in need.

**(III) Human Resources**

The Group had approximately 1,100 employees as at 30 June 2025. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

**CONSOLIDATED INCOME STATEMENT**  
**For the six months ended 30 June 2025 – Unaudited**

|  |             | <b>Six months ended 30 June</b> |                     |
|--|-------------|---------------------------------|---------------------|
|  |             | <b>2025</b>                     | <b>2024</b>         |
|  | <b>Note</b> | <b>HK\$ Million</b>             | <b>HK\$ Million</b> |
| <b>Revenue</b>   | 2           | <b>654</b>                      | 623                 |
| Direct costs and operating expenses                    |             | (325)                           | (220)               |
| Selling and marketing expenses                         |             | (37)                            | (34)                |
| Administrative and corporate expenses                  |             | (71)                            | (71)                |
| Operating profit before depreciation, interest and tax |             | 221                             | 298                 |
| Depreciation   |             | (96)                            | (89)                |
| <b>Operating profit</b>                                | 2 & 3       | <b>125</b>                      | 209                 |
| Changes in fair value of investment properties         |             | (113)                           | (82)                |
| Other net charge                                       | 4           | (39)                            | (1)                 |
|  |             | (27)                            | 126                 |
| Finance costs  | 5           | (7)                             | (10)                |
| Share of results after tax of an associate             |             | (155)                           | (113)               |
| (Loss)/profit before taxation                          |             | (189)                           | 3                   |
| Income tax   | 6(a)        | (22)                            | (20)                |
| <b>Loss for the period</b>                             |             | <b>(211)</b>                    | (17)                |
| <b>Loss attributable to:</b>                           |             |                                 |                     |
| Equity shareholders                                    |             | (199)                           | (8)                 |
| Non-controlling interests                              |             | (12)                            | (9)                 |
|  |             | (211)                           | (17)                |
| <b>Loss per share</b>                                  | 7           |                                 |                     |
| Basic  |             | (HK\$0.28)                      | (HK\$0.01)          |
| Diluted  |             | (HK\$0.28)                      | (HK\$0.01)          |



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months ended 30 June 2025 - Unaudited**

|   | <b>Six months ended 30 June</b> |                     |
|---|---------------------------------|---------------------|
|   | <b>2025</b>                     | <b>2024</b>         |
|   | <b>HK\$ Million</b>             | <b>HK\$ Million</b> |
| <b>Loss for the period</b>  | <b>(211)</b>                    | <b>(17)</b>         |
| <b>Other comprehensive income</b>                                     |                                 |                     |
| <b>Item that will not be reclassified to profit or loss:</b>          |                                 |                     |
| Fair value changes on equity investments                              | 596                             | (421)               |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |                                 |                     |
| Exchange difference on translation of the operations of subsidiaries  | 17                              | (5)                 |
| Share of reserves of an associate and a joint venture                 | 3                               | (4)                 |
| <b>Other comprehensive income for the period</b>                      | <b>616</b>                      | <b>(430)</b>        |
| <b>Total comprehensive income for the period</b>                      | <b>405</b>                      | <b>(447)</b>        |
| <b>Total comprehensive income attributable to:</b>                    |                                 |                     |
| Equity shareholders   | 415                             | (437)               |
| Non-controlling interests   | (10)                            | (10)                |
|   | <b>405</b>                      | <b>(447)</b>        |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 30 June 2025 – Unaudited**

|                                       |             | <b>30 June<br/>2025</b> | <b>31 December<br/>2024</b> |
|---------------------------------------|-------------|-------------------------|-----------------------------|
|                                       | <b>Note</b> | <b>HK\$ Million</b>     | <b>HK\$ Million</b>         |
| <b>Non-current assets</b>             |             |                         |                             |
| Investment properties                 |             | <b>4,833</b>            | 4,946                       |
| Hotel properties, plant and equipment |             | <b>6,425</b>            | 6,504                       |
| Interest in an associate              |             | <b>175</b>              | 326                         |
| Interest in a joint venture           |             | <b>9</b>                | 10                          |
| Equity investments                    |             | <b>3,051</b>            | 2,505                       |
| Other non-current assets              |             | <b>37</b>               | 34                          |
|                                       |             | <b>14,530</b>           | 14,325                      |
| <b>Current assets</b>                 |             |                         |                             |
| Properties for sale                   |             | <b>859</b>              | 932                         |
| Inventories                           |             | <b>8</b>                | 9                           |
| Trade and other receivables           | 9           | <b>96</b>               | 104                         |
| Prepaid tax                           |             | <b>1</b>                | -                           |
| Bank deposits and cash                |             | <b>596</b>              | 431                         |
|                                       |             | <b>1,560</b>            | 1,476                       |
| <b>Total assets</b>                   |             | <b>16,090</b>           | 15,801                      |
| <b>Non-current liabilities</b>        |             |                         |                             |
| Deferred tax liabilities              |             | <b>(156)</b>            | (153)                       |
| Bank loans                            |             | <b>(396)</b>            | (333)                       |
|                                       |             | <b>(552)</b>            | (486)                       |
| <b>Current liabilities</b>            |             |                         |                             |
| Trade and other payables              | 10          | <b>(722)</b>            | (847)                       |
| Pre-sale deposits and proceeds        |             | <b>(5)</b>              | (35)                        |
| Taxation payable                      |             | <b>(78)</b>             | (71)                        |
| Bank loans                            |             | <b>(33)</b>             | (32)                        |
|                                       |             | <b>(838)</b>            | (985)                       |
| <b>Total liabilities</b>              |             | <b>(1,390)</b>          | (1,471)                     |
| <b>NET ASSETS</b>                     |             | <b>14,700</b>           | 14,330                      |
| <b>Capital and reserves</b>           |             |                         |                             |
| Share capital                         |             | <b>3,641</b>            | 3,641                       |
| Reserves                              |             | <b>10,956</b>           | 10,576                      |
| <b>Shareholders' equity</b>           |             | <b>14,597</b>           | 14,217                      |
| <b>Non-controlling interests</b>      |             | <b>103</b>              | 113                         |
| <b>TOTAL EQUITY</b>                   |             | <b>14,700</b>           | 14,330                      |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

### 1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The unaudited interim financial information 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 annual financial statements for the year ended 31 December 2024. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024 except for the changes mentioned below.

With effect from 1 January 2025, the Group has adopted the below amendment which is relevant to the Group’s consolidated financial statements:

Amendments to HKAS 21

The effects of changes in foreign exchange rates:  
Lack of exchangeability

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

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

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

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## **2. SEGMENT INFORMATION**

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are hotels, investment properties, development properties and investments. No operating segment has been aggregated to form reportable segments.

Hotels segment represents the operations of The Murray, MP Hong Kong, Niccolo Suzhou and MP Changzhou.

Investment properties segment primarily represents the property leasing of the Group's investment properties in Hong Kong.

Development properties segment encompasses activities relating to the acquisition, development and sales of trading properties primarily in Mainland China.

Investments segment represents equity investment in global capital markets. The performance of the portfolio is assessed and monitored by top management regularly.

Management evaluates performance based on operating profit as well as the equity share of results of an associate and a joint venture of each segment.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash.

Revenue and expenses are allocated with reference to income generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

**(a) Analysis of segment revenue and results**

| <b>Six months ended</b>       | <b>Revenue<br/>HK\$ Million</b> | <b>Operating<br/>profit/(loss)<br/>HK\$ Million</b> | <b>Changes<br/>in fair<br/>value of<br/>investment<br/>properties<br/>HK\$ Million</b> | <b>Other net<br/>charge<br/>HK\$ Million</b> | <b>Finance<br/>costs<br/>HK\$ Million</b> | <b>Associate<br/>HK\$ Million</b> | <b>Profit/(loss)<br/>before<br/>taxation<br/>HK\$ Million</b> |
|-------------------------------|---------------------------------|---|--|--|---|-----------------------------------|---|
| <b>30 June 2025</b>           |                                 |   |  |  |   |                                   |   |
| <b>Hotels</b>                 | <b>426</b>                      | <b>(29)</b>   | <b>-</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>(29)</b>   |
| <b>Investment properties</b>  | <b>96</b>                       | <b>85</b>   | <b>(113)</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>(28)</b>   |
| <b>Development properties</b> | <b>58</b>                       | <b>(1)</b>  | <b>-</b>   | <b>(39)</b>                                  | <b>(7)</b>                                | <b>(155)</b>                      | <b>(202)</b>  |
| <b>Investments</b>            | <b>70</b>                       | <b>70</b>   | <b>-</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>70</b>   |
| <b>Segment total</b>          | <b>650</b>                      | <b>125</b>  | <b>(113)</b>   | <b>(39)</b>                                  | <b>(7)</b>                                | <b>(155)</b>                      | <b>(189)</b>  |
| <b>Others</b>                 | <b>4</b>                        | <b>-</b>  | <b>-</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>-</b>  |
| <b>Group total</b>            | <b>654</b>                      | <b>125</b>  | <b>(113)</b>   | <b>(39)</b>                                  | <b>(7)</b>                                | <b>(155)</b>                      | <b>(189)</b>  |
| <b>30 June 2024</b>           |                                 |   |  |  |   |                                   |   |
| <b>Hotels</b>                 | <b>422</b>                      | <b>(43)</b>   | <b>-</b>   | <b>-</b>                                     | <b>(1)</b>                                | <b>-</b>                          | <b>(44)</b>   |
| <b>Investment properties</b>  | <b>123</b>                      | <b>111</b>  | <b>(82)</b>  | <b>-</b>                                     | <b>(3)</b>                                | <b>-</b>                          | <b>26</b>   |
| <b>Development properties</b> | <b>8</b>                        | <b>74</b>   | <b>-</b>   | <b>(1)</b>                                   | <b>(6)</b>                                | <b>(113)</b>                      | <b>(46)</b>   |
| <b>Investments</b>            | <b>69</b>                       | <b>69</b>   | <b>-</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>69</b>   |
| <b>Segment total</b>          | <b>622</b>                      | <b>211</b>  | <b>(82)</b>  | <b>(1)</b>                                   | <b>(10)</b>                               | <b>(113)</b>                      | <b>5</b>  |
| <b>Others</b>                 | <b>1</b>                        | <b>(2)</b>  | <b>-</b>   | <b>-</b>                                     | <b>-</b>                                  | <b>-</b>                          | <b>(2)</b>  |
| <b>Group total</b>            | <b>623</b>                      | <b>209</b>  | <b>(82)</b>  | <b>(1)</b>                                   | <b>(10)</b>                               | <b>(113)</b>                      | <b>3</b>  |

No inter-segment revenue has been recorded during the current and prior periods.

**(b) Disaggregation of revenue**

|  | <b>Six months ended 30 June</b> |                     |
|--|---------------------------------|---------------------|
|  | <b>2025</b>                     | <b>2024</b>         |
|  | <b>HK\$ Million</b>             | <b>HK\$ Million</b> |
| <b>Revenue recognised under HKFRS 15</b>                       |                                 |                     |
| Hotels   | <b>426</b>                      | 422                 |
| Management and services income and other rental related income | <b>19</b>                       | 19                  |
| Sale of development properties                                 | <b>58</b>                       | 8                   |
|  | <b>503</b>                      | 449                 |
| <b>Revenue recognised under other accounting standards</b>     |                                 |                     |
| Rental income under investment properties segment              |                                 |                     |
| - Fixed  | <b>70</b>                       | 102                 |
| - Variable   | <b>7</b>                        | 2                   |
| Investments  | <b>70</b>                       | 69                  |
| Others   | <b>4</b>                        | 1                   |
|  | <b>151</b>                      | 174                 |
| <b>Total revenue</b>   | <b>654</b>                      | 623                 |

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its:

- hotel operation as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.
- property management fees and other rental related income as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.
- sales of completed properties as the performance obligation is part of a contract that had an original expected duration of one year or less.

### 3. OPERATING PROFIT

Operating profit is arrived at:

|  | Six months ended 30 June |              |
|--|--------------------------|--------------|
|  | 2025                     | 2024         |
|  | HK\$ Million             | HK\$ Million |
| <b>After charging/(crediting):</b>                 |                          |              |
| Depreciation                                       | 96                       | 89           |
| Staff costs (Note)                                 | 197                      | 196          |
| Cost of trading properties for recognised sales    | 47                       | (70)         |
| Direct operating expenses of investment properties | 5                        | 8            |
| <b>After crediting:</b>                            |                          |              |
| Gross rental revenue from investment properties    | 96                       | 123          |
| Interest income                                    | 4                        | 2            |
| Dividend income from equity investments            | 70                       | 69           |

Note: Staff costs included defined contribution pension schemes costs HK\$8 million (2024: HK\$8 million), which included MPF schemes after a forfeited contribution of HK\$1 million (2024: HK\$Nil).

### 4. OTHER NET CHARGE

Other net charge amounted to HK\$39 million (2024: HK\$1 million) mainly represented impairment provision for Mainland DP held by a subsidiary.

### 5. FINANCE COSTS

|                             | Six months ended 30 June |              |
|-----------------------------|--------------------------|--------------|
|                             | 2025                     | 2024         |
|                             | HK\$ Million             | HK\$ Million |
| Interest on bank borrowings | 7                        | 9            |
| Other finance costs         | -                        | 1            |
| <b>Total</b>                | <b>7</b>                 | <b>10</b>    |

## 6. INCOME TAX

- (a) Taxation charged to the consolidated income statement represents:

|   | <b>Six months ended 30 June</b> |                     |
|---|---------------------------------|---------------------|
|   | <b>2025</b>                     | <b>2024</b>         |
|   | <b>HK\$ Million</b>             | <b>HK\$ Million</b> |
| <b>Current income tax</b>                         |                                 |                     |
| Hong Kong   |                                 |                     |
| - provision for the period                        | <b>19</b>                       | 22                  |
| - over-provision in respect of prior years        | <b>(1)</b>                      | -                   |
| Mainland China                                    |                                 |                     |
| - over-provision in respect of prior years        | -                               | (110)               |
|   | <b>18</b>                       | <b>(88)</b>         |
| <b>Land appreciation tax (“LAT”) (Note (d))</b>   | <b>1</b>                        | -                   |
| <b>Deferred tax</b>                               |                                 |                     |
| Origination and reversal of temporary differences | <b>3</b>                        | 108                 |
| <b>Total</b>                                      | <b>22</b>                       | <b>20</b>           |

- (b) The provision for Hong Kong Profits Tax is at the rate of 16.5% (2024: 16.5%) of the estimated assessable profits for the period.
- (c) Income tax on profit assessable in Mainland China are corporate income tax calculated at a rate of 25% (2024: 25%) and withholding tax at a rate of up to 10%.
- (d) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.
- (e) Tax attributable to an associate for the six months ended 30 June 2025 of HK\$5 million (2024: credit of HK\$3 million) is included in the share of results of an associate.

## 7. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to equity shareholders for the period of HK\$199 million (2024: HK\$8 million) by 708.8 million ordinary shares (2024: 708.8 million ordinary shares) in issue during the period.

## 8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

An interim dividend of HK\$35 million in respect of the financial year ended 31 December 2024 was approved and paid during the financial period under review.



## 9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of loss allowance) with an ageing analysis based on invoice date as at 30 June 2025 as follows:

|                                      | <b>30 June<br/>2025</b> | <b>31 December<br/>2024</b> |
|--------------------------------------|-------------------------|-----------------------------|
|                                      | <b>HK\$ Million</b>     | <b>HK\$ Million</b>         |
| Trade receivables                    |                         |                             |
| 0 – 30 days                          | <b>18</b>               | 24                          |
| 31 – 60 days                         | <b>2</b>                | 2                           |
| Over 60 days                         | <b>1</b>                | 1                           |
|                                      | <b>21</b>               | 27                          |
| Prepayments                          | <b>28</b>               | 28                          |
| Other receivables                    | <b>16</b>               | 5                           |
| Amounts due from fellow subsidiaries | <b>31</b>               | 44                          |
| <b>Group total</b>                   | <b>96</b>               | 104                         |

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year.

## 10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on invoice date as at 30 June 2025 as follows:

|                                    | <b>30 June<br/>2025</b> | <b>31 December<br/>2024</b> |
|------------------------------------|-------------------------|-----------------------------|
|                                    | <b>HK\$ Million</b>     | <b>HK\$ Million</b>         |
| Trade payables                     |                         |                             |
| 0 – 30 days                        | <b>18</b>               | 32                          |
| 31 – 60 days                       | <b>4</b>                | 4                           |
| 61 – 90 days                       | <b>1</b>                | -                           |
|                                    | <b>23</b>               | 36                          |
| Other payables and provisions      | <b>318</b>              | 354                         |
| Construction costs payable         | <b>365</b>              | 439                         |
| Amounts due to fellow subsidiaries | <b>2</b>                | 4                           |
| Amount due to an associate         | <b>14</b>               | 14                          |
| <b>Group total</b>                 | <b>722</b>              | 847                         |

## 11. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2025 has been reviewed with no disagreement by the Audit Committee of the Company.

## **CORPORATE GOVERNANCE CODE**

During the financial period under review, the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with one exception as regards Code Provision C.2.1 providing for the roles of chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive under the Group's corporate structure thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors ("INEDs").

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the financial period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As at 30 June 2025 and up to the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise).

By Order of the Board  
**Harbour Centre Development Limited**  
**Grace L. C. Ho**  
*Company Secretary*

Hong Kong, 5 August 2025

*As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Hon. Frankie C. M. Yick and Mr. Peter Z. K. Pao, together with six INEDs, namely, Ms. Michelle Cheng, Mr. David T. C. Lie-A-Cheong, Mr. Roger K. H. Luk, Mr. Michael T. P. Sze, Mr. Brian S. K. Tang and Mr. Ivan T. L. Ting.*