

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “Board”) of Chinese Estates Holdings Limited (the “Company”) would like to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 June 2025 (the “Period”) together with the comparative figures for the corresponding period in 2024:-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	134,106	195,132
Cost of goods and services provided		(21,810)	(30,610)
Gross profit		112,296	164,522
Other income	5	49,362	6,430
Investment income (expenses), net	6	108,015	(29,827)
Administrative expenses		(141,797)	(164,817)
Gain on disposals of equipment, net		181	2,983
Fair value changes on investment properties		(388,329)	(273,559)
Finance costs	7	(52,998)	(109,805)
Other gains and losses	8	(1,221)	(1)
Share of results of investments accounted for using the equity method		(91,385)	(11,261)
Loss before tax		(405,876)	(415,335)
Income tax expense	9	(4,622)	(6,708)
Loss for the period	10	(410,498)	(422,043)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
<i>Notes</i>	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other comprehensive income (expenses)		
<i>Items that will not be reclassified to profit or loss</i>		
Gains and losses on investments in equity instruments measured at fair value through other comprehensive income	3,055	(34,221)
Share of other comprehensive expenses of investments accounted for using the equity method	(40)	(126)
	3,015	(34,347)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	465,662	(54,602)
Share of other comprehensive income (expenses) of investments accounted for using the equity method	4,644	(3,714)
	470,306	(58,316)
Other comprehensive income (expenses) for the period (net of tax)	473,321	(92,663)
Total comprehensive income (expenses) for the period	62,823	(514,706)
Loss for the period attributable to:		
Owners of the Company	(410,671)	(422,276)
Non-controlling interests	173	233
	(410,498)	(422,043)
Total comprehensive income (expenses) for the period attributable to:		
Owners of the Company	62,650	(514,939)
Non-controlling interests	173	233
	62,823	(514,706)
Loss per share (HK\$)		
Basic and diluted	(0.215)	(0.221)

12

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Investment properties		9,833,706	9,719,164
Property, plant and equipment		32,613	52,811
Right-of-use assets		17,031	39,293
Intangible assets		-	-
Investments accounted for using the equity method		1,757,308	1,862,087
Advances to associates		60,020	59,332
Financial assets measured at fair value through profit or loss		52,224	54,315
Financial assets measured at fair value through other comprehensive income		141,577	138,522
Advance to investee companies		371,251	345,690
Pledged deposit		20,700	28,980
		12,286,430	12,300,194
Current assets			
Stock of properties		23,316	23,316
Financial assets measured at fair value through profit or loss		395,658	365,643
Advances to investee companies		25,605	64,017
Inventories		4,494	4,650
Debtors, deposits, other receivables and prepayments	13	164,850	164,977
Securities trading receivables and deposits		3,240	18,062
Tax recoverable		6,583	9,939
Pledged deposits		867,054	1,008,194
Time deposits, bank balances and cash		357,347	1,742,313
		1,848,147	3,401,111
Current liabilities			
Creditors and accruals	14	144,871	499,919
Securities trading and margin payable		257	10,923
Deposits and receipts in advance		61,177	62,205
Lease liabilities		16,328	36,890
Tax liabilities		6,154	15,644
Borrowings		835,685	1,655,774
Derivative financial instruments		1,317	-
		1,065,789	2,281,355
Net current assets		782,358	1,119,756
Total assets less current liabilities		13,068,788	13,419,950

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
At 30 June 2025

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Equity attributable to owners of the Company		
Share capital	190,762	190,762
Property revaluation reserve	5,862	5,862
Financial assets measured at fair value through other comprehensive income reserve	141,375	138,360
Contribution reserve	206,627	206,627
Statutory reserve	4,402	4,402
Special reserve	2,499,685	2,499,685
Capital redemption reserve	138,062	138,062
Translation reserve	(68,772)	(539,078)
Retained profits		
- declared/proposed dividend	19,076	57,229
- others	8,935,078	9,364,825
	12,072,157	12,066,736
Non-controlling interests	24,181	24,008
Total equity	12,096,338	12,090,744
Non-current liabilities		
Borrowings	909,401	1,272,684
Amounts due to associates	17,136	11,559
Amounts due to investee companies	17,773	13,885
Amounts due to non-controlling shareholders	275	275
Lease liabilities	454	1,795
Deferred tax liabilities	27,411	29,008
	972,450	1,329,206
	13,068,788	13,419,950

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. Basis of Preparation

These unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

These unaudited condensed consolidated financial statements have been prepared under the historical cost basis, except for certain properties and financial instruments, which are measured at their fair values.

2. Material Accounting Policies

The accounting policies adopted in these unaudited condensed consolidated financial statements for the Period are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2024 except as described below.

In the current period, the Group has applied the following amendments to a HKFRS Accounting Standard (“Amendment”) issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of these unaudited condensed consolidated financial statements:

HKAS 21 (Amendments)	Lack of Exchangeability
----------------------	-------------------------

The application of the Amendment had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

The Group has not early adopted the following new and amendments to HKFRS Accounting Standards (“New and Amended HKFRSs”) that have been issued but are not yet effective.

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments ¹
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 18	Presentation and Disclosure in Financial Statements ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HK Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The directors of the Company (“Directors”) are in the process of assessing the potential impact of the New and Amended HKFRSs but are not yet in a position to determine whether the New and Amended HKFRSs will have a material impact on the Group’s performance and financial position and on the disclosures. The New and Amended HKFRSs may result in changes to how the Group’s performance and financial position are prepared and presented in the future.

3. Revenue

Revenue represents the aggregate amounts of commission from brokerage, settlement charges from brokerage, cosmetics goods sold less returns, building and property management services income, amounts received and receivable from property rental income, interest income from bonds, dividend income from listed and unlisted equity investments and gain on sales of investments held-for-trading. Revenue is analysed as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers:		
<i>Recognised on a point in time basis</i>		
Brokerage and cosmetics income	5,384	7,386
<i>Recognised on over time basis</i>		
Building and property management services income	25,719	26,554
	31,103	33,940
Revenue from other sources:		
Property rental income	82,358	115,270
Interest income from bonds (<i>note (i)</i>)	8,118	4,341
Dividend income from		
- listed equity investments (<i>note (i)</i>)	1,751	1,632
- unlisted equity investment (<i>note (ii)</i>)	-	34,000
	1,751	35,632
Gain on sales of investments held-for-trading	10,776	5,949
	103,003	161,192
Total revenue	134,106	195,132

Notes:

- (i) The interest income from bonds and dividend income from listed equity investments were derived from financial assets measured at fair value through profit or loss ("FVTPL").
- (ii) The dividend income from unlisted equity investment was derived from financial assets measured at fair value through other comprehensive income ("FVTOCI").

4. Operating Segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has six reportable segments – (i) property development and trading; (ii) property leasing for retail; (iii) property leasing for non-retail; (iv) listed equity investments at FVTOCI; (v) investments and treasury products at FVTPL; and (vi) unlisted investments, investment holding and brokerage, and the remaining businesses of the Group grouped under all other segments. The segmentations are based on the information about the operations of the Group that management of the Group uses to make decisions.

Principal activities are as follows:

Property development and trading	– Property development and sales of trading properties
Property leasing	
- Retail	– Property leasing from retail properties
- Non-retail	– Property leasing from non-retail properties
Listed equity investments at FVTOCI	– Listed equity securities at FVTOCI
Investments and treasury products at FVTPL	– Securities investments in investments held-for-trading, over-the-counter trading and structured products
Unlisted investments, investment holding and brokerage	– Unlisted securities investments, trading and brokerage
All other segments	– Cosmetics distribution and trading, provision of building and property management services and others

The Group evaluates performance on the basis of profit or loss from operations after tax expense and non-controlling interests but not including the major non-cash items. The major non-cash items are unrealised fair value changes on investment properties and other properties together with, if applicable, their respective deferred tax.

No operating segments have been aggregated in arriving at the six reportable segments described above.

Unallocated corporate assets mainly comprised right-of-use assets, tax recoverable and cross currency swap.

Unallocated corporate liabilities mainly comprised tax liabilities, borrowings, amounts due to associates, amounts due to investee companies, amounts due to non-controlling shareholders, lease liabilities and deferred tax liabilities.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business unit has different markets and requires different marketing strategies.

Further, the business units are also managed to operate in different countries separately. Revenue and results are attributed to countries on the basis of the property or asset location.

There was one (2024: no) major customer who individually accounted for 10% or more of the Group's revenue. Revenue of approximately HK\$16,205,000 was derived from a customer in property leasing for retail segment in the United Kingdom.

4. Operating Segments (continued)

Operating segment information is presented below:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	48,244	-	-	48,244
- Other countries	-	-	-	-	26,066	-	-	26,066
	-	-	-	-	74,310	-	-	74,310
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	-	-	-	-	16,303	-	-	16,303
- Other countries	-	-	-	-	4,342	-	-	4,342
Revenue from external customers								
- Hong Kong	-	15,591	43,207	-	-	962	30,141	89,901
- United Kingdom	-	16,205	7,046	-	-	-	-	23,251
- Mainland China	-	-	309	-	-	-	-	309
	-	31,796	50,562	-	20,645	962	30,141	134,106
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	31,796	50,562	-	20,645	962	30,141	134,106
Attributable property sales from an investee company								
- Hong Kong	288	-	-	-	-	-	-	288
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	7,002	23,328	-	-	-	-	30,330
- Mainland China	-	23,310	2,682	-	-	-	-	25,992
	288	62,108	76,572	-	20,645	962	30,141	190,716
Results								
Segment results								
- Hong Kong	3,472	14,263	39,066	-	37,360	67,691	17,799	179,651
- United Kingdom	-	14,580	6,339	-	-	3,952	-	24,871
- Mainland China	-	-	221	-	-	1,565	-	1,786
- Other countries	-	-	-	-	13,997	-	-	13,997
	3,472	28,843	45,626	-	51,357	73,208	17,799	220,305
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	6,749	23,162	-	-	-	1,149	31,060
- Mainland China	-	23,310	2,682	-	-	-	-	25,992
- Attributable operating cost								
- Hong Kong	-	(1,079)	(3,675)	-	-	-	-	(4,754)
- Mainland China	-	(8,848)	(1,700)	-	-	-	-	(10,548)
	3,472	48,975	66,095	-	51,357	73,208	18,948	262,055
Share of results of investments accounted for using the equity method								
- Income tax and others	-	(10,415)	(2,056)	-	-	-	(150)	(12,621)
	3,472	38,560	64,039	-	51,357	73,208	18,798	249,434
Unallocated items								
Unallocated corporate expenses, net								(92,291)
Finance costs								(52,998)
Loss on disposal of a subsidiary								(1,178)
Income tax expense								(4,622)
Non-controlling interests								(173)
Operating profit for the period attributable to owners of the Company								98,172
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(508,843)
Loss for the period attributable to owners of the Company								(410,671)
Core profit for the period attributable to owners of the Company								98,172

4. Operating Segments (continued)
Condensed Consolidated Statement of Financial Position
At 30 June 2025

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Assets								
Segment assets								
- Hong Kong	513,281	916,593	4,820,044	-	319,916	898,344	112,184	7,580,362
- United Kingdom	-	888,213	3,605,645	-	-	-	-	4,493,858
- Mainland China	97,270	-	39,807	-	-	-	-	137,077
- Other countries	-	-	-	-	82,285	47	-	82,332
Investments accounted for using the equity method								
- Hong Kong	51,900	338,004	1,198,159	-	-	1,243	4,005	1,593,311
- Mainland China	-	76,781	87,216	-	-	-	-	163,997
Advances to associates								
- Hong Kong	1,904	-	64	-	-	1	1	1,970
- Mainland China	-	27,178	30,872	-	-	-	-	58,050
Reportable segment assets	<u>664,355</u>	<u>2,246,769</u>	<u>9,781,807</u>	<u>-</u>	<u>402,201</u>	<u>899,635</u>	<u>116,190</u>	<u>14,110,957</u>
Unallocated corporate assets								<u>23,620</u>
Consolidated total assets								<u><u>14,134,577</u></u>
Liabilities								
Segment liabilities								
- Hong Kong	33,326	13,062	106,445	-	1,487	347	10,751	165,418
- United Kingdom	-	19,176	22,826	-	-	-	-	42,002
- Mainland China	-	-	202	-	-	-	-	202
Reportable segment liabilities	<u>33,326</u>	<u>32,238</u>	<u>129,473</u>	<u>-</u>	<u>1,487</u>	<u>347</u>	<u>10,751</u>	<u>207,622</u>
Unallocated corporate liabilities								<u>1,830,617</u>
Consolidated total liabilities								<u><u>2,038,239</u></u>
Additions to non-current assets (other than financial instruments)	<u>-</u>	<u>735</u>	<u>89,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	

Other Material Items
For the six months ended 30 June 2025

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustments for major non-cash items HK\$'000	Condensed consolidated statement of comprehensive income HK\$'000
Interest income	59,975	-	-	59,975
Finance costs	-	(52,998)	-	(52,998)
Net income (expenses)	59,975	(52,998)	-	6,977
Depreciation of:				
- Property, plant and equipment	-	(21,164)	-	(21,164)
- Right-of-use assets	-	(22,262)	-	(22,262)
Fair value changes on investment properties	-	-	(388,329)	(388,329)
Share of results of investments accounted for using the equity method	29,129	-	(120,514)	(91,385)
Income tax expense	-	(4,622)	-	(4,622)
Non-controlling interests	-	(173)	-	(173)

4. Operating Segments (continued)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Major cash items excluding in revenue								
- Hong Kong	-	-	-	-	35,622	-	-	35,622
- Other countries	-	-	-	-	27,267	-	-	27,267
	-	-	-	-	62,889	-	-	62,889
Revenue								
Dividend and interest income and gain on sales of investments held-for-trading								
- Hong Kong	34,000	-	-	-	8,315	-	-	42,315
- Other countries	-	-	-	-	3,607	-	-	3,607
Revenue from external customers								
- Hong Kong	-	17,121	56,145	-	-	1,445	32,495	107,206
- United Kingdom	-	15,969	25,871	-	-	-	-	41,840
- Mainland China	-	-	164	-	-	-	-	164
	34,000	33,090	82,180	-	11,922	1,445	32,495	195,132
Revenue (excluding dividend income from segments of property development and trading and property leasing)	-	33,090	82,180	-	11,922	1,445	32,495	161,132
Attributable property sales from an investee company								
- Hong Kong	12,390	-	-	-	-	-	-	12,390
Attributable rental revenue from associates/investee companies								
- Hong Kong	-	7,912	25,114	-	-	-	-	33,026
- Mainland China	-	25,097	2,753	-	-	-	-	27,850
	12,390	66,099	110,047	-	11,922	1,445	32,495	234,398
Results								
Segment results								
- Hong Kong	34,000	15,602	51,745	-	(1,046)	9,200	19,523	129,024
- United Kingdom	-	14,979	16,642	-	-	2,461	-	34,082
- Mainland China	-	-	42	-	-	1,806	-	1,848
- Other countries	-	-	-	-	(30,259)	-	-	(30,259)
	34,000	30,581	68,429	-	(31,305)	13,467	19,523	134,695
Share of results of investments accounted for using the equity method								
- Attributable gross income								
- Hong Kong	-	7,672	24,937	-	-	-	1,185	33,794
- Mainland China	-	25,097	2,753	-	-	-	-	27,850
- Attributable operating cost								
- Hong Kong	-	(907)	(4,084)	-	-	-	-	(4,991)
- Mainland China	-	(8,965)	(1,676)	-	-	-	-	(10,641)
	34,000	53,478	90,359	-	(31,305)	13,467	20,708	180,707
Other income	-	-	1,841	-	-	-	-	1,841
Share of results of investments accounted for using the equity method								
- Income tax and others	-	(13,279)	(750)	-	-	-	(104)	(14,133)
	34,000	40,199	91,450	-	(31,305)	13,467	20,604	168,415
Unallocated items								
Unallocated corporate expenses, net								(157,246)
Finance costs								(109,805)
Income tax expense								(6,708)
Non-controlling interests								(233)
Operating loss for the period attributable to owners of the Company								(105,577)
Major non-cash items								
- Unrealised fair value changes on investment properties (including share of results of investments accounted for using the equity method)								(316,699)
Loss for the period attributable to owners of the Company								(422,276)
Core loss for the period attributable to owners of the Company								(105,577)

4. Operating Segments (continued)
Condensed Consolidated Statement of Financial Position
At 31 December 2024

	Property development and trading HK\$'000	Property leasing		Listed equity investments at FVTOCI HK\$'000	Investments and treasury products at FVTPL HK\$'000	Unlisted investments, investment holding and brokerage HK\$'000	All other segments HK\$'000	Consolidated HK\$'000
		Retail HK\$'000	Non-retail HK\$'000					
Assets								
Segment assets								
- Hong Kong	484,010	1,855,858	5,211,133	-	299,202	1,263,363	147,384	9,260,950
- United Kingdom	-	786,905	3,475,528	-	-	-	-	4,262,433
- Mainland China	105,482	-	27,156	-	-	-	-	132,638
- Other countries	-	-	-	-	74,586	47	-	74,633
Investments accounted for using the equity method								
- Hong Kong	49,751	349,507	1,300,725	-	-	1,339	3,764	1,705,086
- Mainland China	-	73,153	83,848	-	-	-	-	157,001
Advances to associates								
- Hong Kong	1,959	-	152	-	-	2	3	2,116
- Mainland China	-	26,659	30,557	-	-	-	-	57,216
Reportable segment assets	641,202	3,092,082	10,129,099	-	373,788	1,264,751	151,151	15,652,073
Unallocated corporate assets								49,232
Consolidated total assets								15,701,305
Liabilities								
Segment liabilities								
- Hong Kong	33,370	12,971	128,727	-	1,073	12,670	14,520	203,331
- United Kingdom	-	16,990	352,465	-	-	-	-	369,455
- Mainland China	34	-	227	-	-	-	-	261
Reportable segment liabilities	33,404	29,961	481,419	-	1,073	12,670	14,520	573,047
Unallocated corporate liabilities								3,037,514
Consolidated total liabilities								3,610,561
Additions to non-current assets (other than financial instruments and deferred tax assets)	4	107	379,274	-	-	61	7,072	

Other Material Items

For the six months ended 30 June 2024

	Reportable segments HK\$'000	Adjustments for unallocated items HK\$'000	Adjustments for major non-cash items HK\$'000	Condensed consolidated statement of comprehensive income HK\$'000
Interest income	19,583	-	-	19,583
Finance costs	-	(109,805)	-	(109,805)
Net income (expenses)	19,583	(109,805)	-	(90,222)
Depreciation of:				
- Property, plant and equipment	-	(33,768)	-	(33,768)
- Right-of-use assets	-	(22,881)	-	(22,881)
Fair value changes on investment properties	-	-	(273,559)	(273,559)
Share of results of investments accounted for using the equity method	31,879	-	(43,140)	(11,261)
Income tax expense	-	(6,708)	-	(6,708)
Non-controlling interests	-	(233)	-	(233)

5. Other Income

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Included in other income are:		
Rental services income	996	1,605
Leasing administration services and property administration services income	2,252	2,440
Advisory and consultancy services income	21	24
Exchange gain, net	41,973	14
Dilapidations settlement received from a tenant in respect of a property in the United Kingdom	-	1,841
	-	1,841

6. Investment Income (Expenses), Net

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Financial assets/liabilities measured at fair value through profit or loss:		
Unrealised gain arising from change in fair value of bonds	20,951	2,774
Realised loss arising from change in fair value of bonds		
- Change in fair value	-	(2,884)
- Exchange component of change	-	5
Net gain (loss) arising from change in fair value of bonds	20,951	(105)
Unrealised loss arising from change in fair value of derivative financial instruments	(1,398)	(40)
Realised loss arising from change in fair value of derivative financial instruments	-	(204)
Loss arising from change in fair value of derivative financial instruments	(1,398)	(244)
Unrealised gain (loss) arising from change in fair value of investments held-for-trading	11,084	(42,848)
Unrealised loss arising from change in fair value of club debentures	(140)	(1,170)
Realised gain arising from change in fair value of a club debenture	25,630	-
Net gain (loss) arising from change in fair value of club debentures	25,490	(1,170)
Unrealised gain arising from change in fair value of cross currency swap	6	-
Other investment income (expenses), net	75	(30)
Interest income from other financial assets	51,807	14,570
	108,015	(29,827)

7. Finance Costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings	41,267	117,312
Other borrowing	20,009	-
Lease liabilities	608	1,626
Total interest	61,884	118,938
Exchange gain on translation of foreign currency bank borrowing	(33)	-
Other finance costs	414	1,312
	62,265	120,250
Less: Interest capitalised to investment properties under construction	(9,267)	(10,445)
	52,998	109,805

During the Period, the Group has capitalised borrowing costs at a rate of 4.68% (2024: 5.87%) per annum, amounting to approximately HK\$9,267,000 (2024: HK\$10,445,000) on qualifying assets.

8. Other Gains and Losses

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Included in other gains and losses is:		
Loss on disposal of a subsidiary (<i>note</i>)	1,178	-

Note: Loss on disposal of a subsidiary arose from the disposal of the entire issued share capital of Success Nice Investment Limited ("Success Nice"), an indirect wholly-owned subsidiary of the Company on 16 April 2025 ("Success Nice Disposal"). At the time of disposal, Success Nice held a club debenture in Hong Kong. Details of the Success Nice Disposal are set out in Note 15.

9. Income Tax Expense

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	847	1,361
Other than Hong Kong	7,145	4,490
	7,992	5,851
(Overprovision) underprovision in prior years:		
Hong Kong Profits Tax	-	(10)
Other than Hong Kong	(79)	26
	(79)	16
Deferred tax:		
Current period (credit) charge	(3,291)	841
	4,622	6,708

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5% (2024: 16.5%). The People's Republic of China ("PRC") Enterprise Income Tax for the PRC subsidiaries are calculated at the PRC Enterprise Income Tax rate of 25% (2024: 25%). The Group is subject to tax rate in the United Kingdom at 25% (2024: 25%). Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. Loss for the Period

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss for the period has been arrived at after (charging) crediting:		
Total staff costs:		
Staff costs, including Directors' emoluments	(66,000)	(72,812)
Retirement benefit scheme contributions, net of forfeited contributions of approximately HK\$78,000 (2024: HK\$172,000)	(3,667)	(3,904)
	(69,667)	(76,716)
Auditors' remuneration for audit services:		
Auditors of the Company		
- Current period	(1,025)	(1,064)
Other auditors		
- Current period	(329)	(192)
- Underprovision in prior years	(5)	-
	(1,359)	(1,256)
Auditors' remuneration for non-audit services:		
Auditors of the Company	(8)	-
Depreciation of:		
- Property, plant and equipment	(21,164)	(33,768)
- Right-of-use assets	(22,262)	(22,881)
	(43,426)	(56,649)
Rental expenses from short-term leases	(869)	(1,909)
Cost of cosmetics products sold	(2,003)	(2,927)
Share of tax of investments accounted for using the equity method (included in share of results of investments accounted for using the equity method)		
- Share of tax of associates	(4,165)	(5,666)
Gross proceeds on sales of investments held-for-trading	74,310	52,860
Carrying amount of investments held-for-trading disposed of	(63,388)	(46,831)
Transaction costs on sales of investments held-for-trading	(146)	(80)
Gain on sales of investments held-for-trading included in revenue	10,776	5,949
Gross rental income from investment properties	82,358	115,270
Less: Direct operating expenses from investment properties that generated rental income during the period	(6,845)	(7,977)
Direct operating expenses from investment properties that did not generate rental income during the period	(1,044)	(8,283)
	74,469	99,010
Allowance for credit losses recognised in respect of:		
- Advance to an associate	(41)	-
- Other receivable	-	(20)
	<u>-</u>	<u>(20)</u>

11. Dividends

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Final dividend for 2024 paid on 10 June 2025 of HK3 cents (2023: nil) per share	57,229	-

Interim dividend for 2025 of HK1 cent (2024: nil) per share has been declared by the Board after interim period end.

12. Loss per Share

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss:		
Loss for the purposes of basic and diluted loss per share		
Loss for the period attributable to owners of the Company	(410,671)	(422,276)
	Number of shares	
	Six months ended 30 June	
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,907,619,079	1,907,619,079

Diluted loss per share for the six months ended 30 June 2025 and 2024 were the same as the basic loss per share as there were no potential ordinary shares of the Company in issue during both periods.

13. Debtors, Deposits, Other Receivables and Prepayments

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade receivables (net of allowance for credit losses)	11,583	11,324
Deposits and prepayments	53,991	40,762
Interest receivables from bonds (net of allowance for credit losses)	2,520	4,964
Other receivables	96,756	107,927
	164,850	164,977

Included in debtors, deposits, other receivables and prepayments are trade receivables of approximately HK\$11,583,000 (31 December 2024: HK\$11,324,000), which comprised rental and building management fee receivables billed in advance and settlements from tenants which are expected upon receipts of billings and receivables from property management services and cosmetics business.

13. Debtors, Deposits, Other Receivables and Prepayments (continued)

The carrying amounts of trade receivables (net of allowance for credit losses) of the Group's major businesses are as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Rental receivables from property leasing	4,797	5,128
Receivables from building and property management services	5,198	4,368
Receivables from cosmetics business	1,588	1,828
	<u>11,583</u>	<u>11,324</u>

The following is the aged analysis of trade receivables (net of allowance for credit losses), presented based on the respective revenue recognition dates, at the end of the reporting period:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 - 30 days	5,248	5,666
31 - 60 days	2,762	1,752
61 - 90 days	344	821
Over 90 days	3,229	3,085
	<u>11,583</u>	<u>11,324</u>

14. Creditors and Accruals

Included in creditors and accruals are trade payables of approximately HK\$442,000 (31 December 2024: HK\$632,000).

The following is the aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0 - 90 days	232	183
Over 90 days	210	449
	<u>442</u>	<u>632</u>

15. Disposal of a Subsidiary

Success Nice Disposal

On 7 April 2025, the Group entered into a sale and purchase agreement with an independent third party in relation to disposal of the entire issued share capital of Success Nice.

The Success Nice Disposal was completed on 16 April 2025 at an aggregate consideration of approximately HK\$27,588,000, which included sale of the entire issued share capital of Success Nice and assignment of the amount due to the Group of approximately HK\$22,081,000 and approximately HK\$5,507,000 respectively.

The transfer of control over Success Nice has been completed on 16 April 2025.

Upon completion, Success Nice ceased to be a subsidiary of the Company and its financial results and assets were ceased to be consolidated with those of the Group.

15. Disposal of a Subsidiary (continued)

Success Nice Disposal (continued)

	2025 HK\$'000
The net assets of Success Nice as at the date of disposal were as follows:	
Financial asset measured at fair value through profit or loss	27,580
Prepayment	8
Amount due to the Group	(5,507)
Net assets disposed of	22,081
Sale of amount due to the Group	5,507
Loss on disposal of a subsidiary	(1,178)
	<u>26,410</u>
Satisfied by:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	<u>26,410</u>
Net cash inflow arising from disposal:	
Cash consideration	27,588
Expenses incurred for disposal	(1,178)
	<u>26,410</u>

The loss on the Success Nice Disposal was included in other gains and losses (Note 8) in the unaudited condensed consolidated statement of comprehensive income.

16. Capital Commitments

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Authorised and contracted for:		
Redevelopment expenditure of properties	284,363	344,813
Refurbishment of properties	2,813	-
	<u>287,176</u>	<u>344,813</u>

17. Contingent Liabilities

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Guarantee given to a bank in respect of banking facilities in lieu of the cash public utility deposit jointly utilised by subsidiaries	15,000	15,000
Guarantee(s) given to bank(s) in respect of banking facility(ies) utilised by investee company(ies)/indemnity given to a third party in relation to an investee company	814,000	827,830
	<u>829,000</u>	<u>842,830</u>

No provision for financial guarantee contracts and/or deed of indemnity have been made as at 30 June 2025 and 31 December 2024 as the Directors considered the default risk is low.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK1 cent per share (2024: nil) for the Period (the “Interim Dividend”).

At present, we have maintained a healthy cash flow and have sufficient resources to support our ongoing operations. Despite the unrealised fair value loss on investment properties, our Group’s operating cash flow will not be affected. The overall financial and business position of the Group remains positive. Having considered the Company’s dividend policy, the Board has resolved to declare the Interim Dividend of HK1 cent per share (2024: nil).

Dividend warrants for the Interim Dividend will be posted on or about 9 September 2025 to shareholders whose names appear on the register of members of the Company on 29 August 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed on 29 August 2025. In order to qualify for the Interim Dividend, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company’s Branch Registrar and Transfer Office in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 28 August 2025.

FINANCIAL OPERATION REVIEW

Results

Revenue

Revenue for the Period amounted to HK\$134.1 million (2024: HK\$195.1 million), a decrease of 31.3% over the same period of last year and comprised gross rental income of HK\$82.4 million (2024: HK\$115.3 million), gain on sales of investments held-for-trading on a net basis of HK\$10.8 million (2024: HK\$5.9 million), dividend income from listed equity investments of HK\$1.7 million (2024: listed and unlisted equity investments of HK\$35.6 million), interest income from bonds of HK\$8.1 million (2024: HK\$4.3 million), building and property management services income of HK\$25.7 million (2024: HK\$26.6 million) and others of HK\$5.4 million (2024: HK\$7.4 million). The decrease in revenue was mainly due to (a) decrease in gross rental income of HK\$32.9 million; and (b) no (2024: HK\$34.0 million) dividend income from an investee company engages in property development and trading for the Period.

Gross Profit

Gross profit for the Period amounted to HK\$112.3 million (2024: HK\$164.5 million), a decrease of 31.7% as compared with the same period of last year which was also mainly due to (a) decrease in net rental income; and (b) no dividend income from an investee company for the Period.

Property Leasing

For property leasing, the rental revenue in non-retail section declined by 38.4% to HK\$50.6 million and retail section declined by 3.9% to HK\$31.8 million during the Period. The total rental income in revenue for the Period recorded a decrease of 28.5% to HK\$82.4 million as compared with the same period of last year of HK\$115.3 million.

Together with the attributable rental revenue generated from associates and investee companies of HK\$56.3 million (2024: HK\$60.8 million), the total attributable rental revenue to the Group amounted to HK\$138.7 million (2024: HK\$176.1 million), which represents a decrease of 21.2% over the same period of last year.

Attributable net rental income for the Period showed HK\$115.1 million, a decrease of 20.0% over HK\$143.8 million in the same period of last year.

The decline in attributable rental revenue and net rental income was mainly due to (a) disposal of a subsidiary holding 14 St George Street, London, United Kingdom in August 2024; (b) disposal of the property located at 11 and 12 St James's Square and 14 to 17 Ormond Yard, London, United Kingdom in December 2024; and (c) drop in rental income from office portion in Hong Kong.

Property Development and Trading

During the Period, the Group did not dispose of any trading property (2024: no disposal).

Securities Investments

The Group has in the ordinary and usual course of business conducted its securities investment activities, as at 30 June 2025, comprised listed equity investments, bonds and treasury products. During the Period, the net profit (excluding gain/loss recognised in financial assets measured at FVTOCI reserve) recognised from securities investments and treasury products representing net profit on investments and treasury products at FVTPL of HK\$51.4 million (2024: net loss of HK\$31.3 million).

Investments and Treasury Products at Fair Value Through Profit or Loss

During the Period, the Group disposed of listed investments held-for-trading and recognised a realised gain of HK\$10.8 million (2024: HK\$5.9 million) (the gains/losses of which was included in revenue) with gross proceeds of HK\$74.3 million (2024: HK\$52.9 million). The Group did not dispose of any bonds (2024: realised loss on bonds and derivative financial instrument of HK\$2.8 million and HK\$0.2 million respectively were recorded) during the Period.

During the Period, the Group recorded an unrealised gain of HK\$30.6 million (2024: unrealised loss of HK\$40.1 million) representing the changes in fair value of listed equity investments, bonds and derivative financial instruments, comprised unrealised gain on listed investments held-for-trading of HK\$11.1 million (2024: unrealised loss of HK\$42.9 million), unrealised gain on bonds of HK\$20.9 million (2024: HK\$2.8 million) and unrealised loss on derivative financial instruments of HK\$1.4 million (2024: minimal unrealised loss), which had no effect on the cash flow of the Group.

During the Period, interest income from bonds (which were included in revenue) was HK\$8.1 million (2024: HK\$4.3 million). Together with dividend income from listed equity investments at FVTPL (which were included in revenue) of HK\$1.7 million (2024: HK\$1.6 million), the Group recognised interest/dividend income from investments and treasury products at FVTPL of HK\$9.8 million (2024: HK\$5.9 million) for the Period.

Summing up the realised and unrealised gain/loss and adding the net income from net dividend income, interest income and other investment income/expenses of HK\$10.0 million (2024: HK\$5.9 million), the net profit recognised from securities investments and treasury products was HK\$51.4 million (2024: net loss of HK\$31.3 million) for the Period.

Other Income and Expenses

During the Period, other income increased to HK\$49.4 million (2024: HK\$6.4 million), an increase of 6.7 times over the same period of last year. The increase in other income was derived from exchange gain of HK\$42.0 million as a result of appreciation of Pound Sterling ("GBP") during the Period.

During the Period, administrative expenses decreased by 14.0% to HK\$141.8 million (2024: HK\$164.8 million). Finance costs decreased by 51.7% to HK\$53.0 million (2024: HK\$109.8 million) during the Period. The decrease in finance costs was mainly due to decrease in interest expenses as a result of decrease in average interest rate and average total borrowings during the Period.

Investments Accounted for Using the Equity Method

The share of results of investments accounted for using the equity method for the Period recorded a loss from the share of results of associates of HK\$91.4 million (2024: HK\$11.3 million). The increase in loss from the share of results of associates was mainly due to increase in loss on fair value changes of investment properties held by associates.

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong, Mainland China and the United Kingdom were revalued at 30 June 2025 by LCH (Asia-Pacific) Surveyors Limited (“LCH (Asia-Pacific)”). LCH (Asia-Pacific) is an independent qualified professional property valuer. An unrealised loss on fair value changes of investment properties of HK\$388.3 million (2024: HK\$273.6 million) was recorded during the Period. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

Loss, Core Profit/Loss, Dividends, Repurchase and Total Comprehensive Income/Expenses

Loss

Loss for the Period attributable to owners of the Company was HK\$410.67 million as compared to HK\$422.3 million for the same period of last year. Loss per share for the Period was HK\$0.22 (2024: HK\$0.22).

Core Profit/Loss

Core profit/loss is a non-HKFRS Accounting Standards measure, is arrived at by adding (i) reported profit/loss excluding unrealised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) during the Period; and (ii) accumulated realised fair value changes of investment properties and other properties together with their respective deferred tax (if applicable) recognised in prior years. The Group believes that the presentation of non-HKFRS Accounting Standards measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items.

If the net loss on the major non-cash items of HK\$508.8 million (2024: HK\$316.7 million) is excluded, the Group will have a core profit for the Period attributable to owners of the Company of HK\$98.2 million (2024: core loss of HK\$105.6 million) and a core profit of HK\$0.05 (2024: core loss of HK\$0.06) per share.

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax (if applicable) from the Group and its associates of HK\$508.8 million (2024: HK\$316.7 million).

Dividends

Final dividend for the year ended 31 December 2024 of HK3 cents (year ended 31 December 2023: nil) per share in total amount of HK\$57.2 million was paid in cash on 10 June 2025.

An interim dividend of HK1 cent per share (2024: nil) for the Period has been declared.

Repurchase

During the Period, the Company had not repurchased any of the Company's share.

Total Comprehensive Income/Expenses

Total comprehensive income for the Period attributable to owners of the Company was HK\$62.6 million or HK\$0.03 per share (2024: total comprehensive expenses of HK\$514.9 million or HK\$0.27 per share), which comprised (a) loss for the Period attributable to owners of the Company of HK\$410.67 million (2024: HK\$422.3 million); and (b) other comprehensive income for the Period attributable to owners of the Company of HK\$473.3 million (2024: other comprehensive expenses of HK\$92.6 million) included GBP exchange gain of foreign operations of HK\$461.8 million (2024: exchange loss of HK\$51.6 million).

Net Asset Value

As at 30 June 2025, the Group's net asset value attributable to owners of the Company amounted to HK\$12,072.1 million (31 December 2024: HK\$12,066.7 million), representing an increase of HK\$5.4 million. With the total number of ordinary shares in issue of 1,907,619,079 as at 30 June 2025 and 31 December 2024, the net asset value per share attributable to owners of the Company was HK\$6.33 (31 December 2024: HK\$6.33). The movement in net asset value represented total comprehensive income for the Period attributable to owners of the Company of HK\$62.6 million and final dividend recognised as distribution during the Period of HK\$57.2 million.

In view of the redevelopment plan of properties in Tsuen Wan, Hong Kong and "120 Fleet Street" in London, United Kingdom, certain redevelopment expenditures which have been authorised and contracted for have been disclosed in "Capital Commitments" in Note 16 to the unaudited condensed consolidated financial statements. Going forward, further investment in capital expenditures for these two redevelopment properties are planned.

Other than the existing projects and those disclosed in the interim results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

Securities Investments

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory realised return in long run.

Securities Investments and Treasury Products

As at 30 June 2025, the portfolio of securities investments and treasury products of HK\$394.4 million (31 December 2024: HK\$365.7 million) comprised listed investments held-for-trading, bonds and derivative financial instruments (presented as financial assets/liabilities measured at FVTPL), representing 2.8% (31 December 2024: 2.3%) of total assets.

Risk Management

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

Equity

The number of issued ordinary shares as at 30 June 2025 and 31 December 2024 were 1,907,619,079.

Debt and Gearing

As at 30 June 2025, the Group had a strong financial position, the Group had cash and deposits at banks of HK\$1,245.1 million (31 December 2024: HK\$2,779.5 million), comprised unpledged cash and deposits HK\$357.3 million (31 December 2024: HK\$1,742.3 million) and pledged deposits of HK\$887.8 million (31 December 2024: HK\$1,037.2 million). After netting off the total debt of HK\$1,761.9 million (31 December 2024: HK\$2,967.2 million), comprised bank and other borrowings of HK\$1,745.1 million (31 December 2024: HK\$2,928.5 million) and lease liabilities of HK\$16.8 million (31 December 2024: HK\$38.7 million), the net debt (including lease liabilities) amounted to HK\$516.8 million (31 December 2024: HK\$187.7 million).

Total debt to equity ratio (including lease liabilities) was 14.6% (31 December 2024: 24.5%) and net debt to equity ratio (including lease liabilities) was 4.3% (31 December 2024: 1.6%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK\$12,096.3 million (31 December 2024: HK\$12,090.7 million).

If the securities investments and treasury products of HK\$394.4 million (31 December 2024: HK\$365.7 million) are included, the net debt and net debt to equity ratio would be HK\$122.4 million and 1.0% respectively (31 December 2024: net cash position of HK\$178.0 million).

As at 30 June 2025, the Group's bank and other borrowings of HK\$1,745.1 million, 47.9%, 30.8% and 21.3% were on demand and/or repayable within 1 year, more than 1 year but within 2 years and more than 2 years but within 5 years respectively. Of which the Group's bank and other borrowings were denominated in HK\$ (58.1%), GBP (30.4%) and United States dollar ("US\$") (11.5%) before entering the cross currency swap. During the Period, the Group has entered into short term US\$/HK\$ cross currency swap to enhance interest payable on borrowing, and as at 30 June 2025, notional amount of approximately US\$25.5 million was outstanding. As at 30 June 2025, the Group's bank and other borrowings were carried at interest rates calculated with reference to cost of funds, Hong Kong Interbank Offered Rate or compounded reference rate and all the Group's bank and other borrowings were on floating rate basis. Except as disclosed, no hedging for interest rate is subsisted at the end of the reporting period.

Pledge of Assets

As at 30 June 2025, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$4,098.5 million (31 December 2024: HK\$4,054.5 million) and bank deposits of HK\$109.6 million (31 December 2024: HK\$112.3 million) were pledged to the banks to secure general banking facilities granted to the Group.
- (b) The Group's bonds and listed equity investments at FVTPL with carrying amounts of HK\$269.6 million (31 December 2024: HK\$231.7 million) and cash deposits of HK\$778.2 million (31 December 2024: HK\$924.9 million) were pledged to a financial institution to secure margin facility granted to the Group.
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

Financial and Interest Income/Expenses

Interest income was included in revenue and investment income (expenses), net. Interest income for the Period increased to HK\$60.0 million (2024: HK\$19.6 million), representing an increase of 2.1 times as compared with the same period of last year which was mainly due to increase in interest income from bank deposits as a result of the increase in bank deposits during the Period compared to the same period of last year.

Finance costs included interest expenses on bank and other borrowings and lease liabilities; exchange difference on translation of foreign currency borrowings; and arrangement fee and facility and commitment fee expenses. Interest expenses (excluding interest expenses on lease liabilities) for the Period amounted to HK\$52.0 million, representing a decrease of 51.4% over the same period of last year of HK\$106.9 million. The decrease in interest expenses was mainly due to decrease in average interest rate and average total borrowings during the Period. Interest capitalised for the Period was HK\$9.3 million (2024: HK\$10.4 million). The average interest rate over the period under review was 4.74% (2024: 6.19%), which was expressed as a percentage of total interest paid (excluding interest on lease liabilities) over the average total interest-bearing borrowings.

Remuneration Policies

As at 30 June 2025, the Group employed a total of 420 staff (31 December 2024: 476 staff) including about 211 staff (31 December 2024: 241 staff) employed under the estate management company in Hong Kong and 5 staff (31 December 2024: 8 staff) in the United Kingdom.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance.

United Kingdom and Mainland China

As at 30 June 2025, the Group's investment properties in the United Kingdom with carrying amount of GBP407.8 million (equivalent to approximately HK\$4,389.4 million) (31 December 2024: GBP395.9 million (equivalent to approximately HK\$3,856.9 million)) incurred a net profit of HK\$111.1 million (2024: net loss of HK\$45.4 million) to the Group for the Period, the profit mainly included in gross profit, fair value changes on investment properties, administrative expenses, finance costs and taxation. Due to appreciation of GBP against HK\$ during the Period, GBP exchange gain of foreign operations included in other comprehensive income for the Period amounted to HK\$461.8 million (2024: exchange loss of HK\$51.6 million). As at 30 June 2025, the Group's net investment in the United Kingdom amounted to HK\$3,906.3 million (31 December 2024: HK\$3,401.8 million) representing 32.3% (31 December 2024: 28.1%) of the Group's total equity.

Profit contribution from the Group's investment in Mainland China (mainly included in gross profit, administrative expenses, share of results of investments accounted for using the equity method and taxation) for the Period amounted to HK\$4.2 million (2024: loss of HK\$2.3 million). Due to appreciation of Renminbi ("RMB") against HK\$ during the Period, RMB exchange gain of foreign operations included in other comprehensive income for the Period amounted to HK\$8.5 million (2024: exchange loss of HK\$6.7 million). The Group's net investment in Mainland China as at 30 June 2025 amounted to HK\$357.8 million (31 December 2024: HK\$345.0 million) representing 3.0% (31 December 2024: 2.9%) of the Group's total equity.

Property Valuation

As at 30 June 2025, property valuations in respect of the Group's investment properties in Hong Kong and Mainland China were carried out by LCH (Asia-Pacific) (31 December 2024: Peak Vision Appraisals Limited), whereas the investment properties in the United Kingdom were carried out by LCH (Asia-Pacific) for both 30 June 2025 and 31 December 2024, all are independent qualified professional property valuers. The valuations were based on investment method and/or direct comparison method and/or residual method as the valuation methodologies and were used in preparing 2025 interim results.

The Group's investment properties were valued at HK\$9,833.7 million (31 December 2024: HK\$9,719.2 million), a decrease of 3.8% over 2024 after adjusted for the additions and exchange adjustments of investment properties during the Period. The unrealised fair value loss of HK\$388.3 million was recognised in the unaudited condensed consolidated statement of comprehensive income for the Period. The Group also shared unrealised fair value loss of investment properties of associates of HK\$120.5 million for the Period.

The unrealised fair value loss of HK\$388.3 million was mainly derived from the decrease in fair value of properties located in Hong Kong. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

BUSINESS REVIEW

Hong Kong Property Investment and Development

As at 30 June 2025, the occupancy rate of the shops of Causeway Place in Causeway Bay was approximately 96.52%.

As at 30 June 2025, the occupancy rate of the office property, Harcourt House in Wanchai was approximately 68.61%. Together with the retail portion, the average occupancy rate of Harcourt House was approximately 70.49 % during the Period.

Nos. 14–18 Ma Kok Street is an industrial site in Tsuen Wan. It will be redeveloped into a 25-storey industrial building (including 2 basement levels for parking and loading/unloading facilities). Its total gross floor area is approximately 227,950 square feet. Construction of the new development is currently underway, with the main contract works (basement and superstructure) in progress. The new building is expected to be completed by third quarter of 2025.

Nos. 86 and 88 Apliu Street is a 25-storey residential-cum-commercial building in Sham Shui Po. During the Period, ground floor retail portion was fully let while other floors were let to a non-governmental organisation to operate a youth hostel in the name of Joseph's House under the "Youth Hostel Scheme – Subsidy Scheme for Using Hotels and Guesthouses as Youth Hostels" approved by the Government. Joseph's House consists a total of 42 rooms with up to 84 hostel places.

No. 1 Hung To Road (33.33% interest), a 33-storey industrial building in Kwun Tong, the average occupancy rate was approximately 89.80% during the Period.

Olympian City 3 (25% interest), the retail mall in The Hermitage residences in West Kowloon, the occupancy rate was approximately 92.47% as at 30 June 2025.

Coronation Circle (15% interest), the retail mall in The Coronation residences in West Kowloon, the average occupancy rate was approximately 29.85% during the Period.

Kai Tak Project (Kai Tak Area 2A Site 2 and Site 3) (10% interest) is a joint venture development project of the Group awarded by Government tender. Its total site area is approximately 145,303 square feet and its total gross floor area is around 992,279 square feet. It will be developed into a residential and retail development together with government, institution or community facilities. The development is expected to be completed by the fourth quarter of 2030.

Mainland China Property Investment

Hilton Beijing (50% interest), a five-star international hotel having 506 rooms. 5th to 14th floors of the hotel main tower were pending for renovation. Therefore, as at 30 June 2025, there were 308 rooms available for rent and the occupancy rate was approximately 95.75%.

Oriental Place (50% interest), a 10-storey office building next to Hilton Beijing. Its average occupancy rate was approximately 84.93% during the Period.

Overseas Property Investment and Development

“120 Fleet Street” consists of a freehold office building known as River Court and the Grade II* listed Daily Express Building, situated at 116–129 Fleet Street, London, United Kingdom. River Court will be redeveloped into a 21-storey high rise Grade A office led, mixed use building with 2 basement levels, and is expected to comprise approximately 540,800 square feet of office space and approximately 18,600 square feet of retail space and will be renamed as Evergo Tower, while Daily Express Building will be retained and refurbished.

“61–67 Oxford Street and 11–14 Soho Street” is a mixed use freehold building located in London, United Kingdom, comprising approximately 55,151 square feet in aggregate. The building provides retails, office and residential accommodation, occupying approximately 33,843 square feet, 13,694 square feet and 7,614 square feet respectively, over lower ground, ground and six upper floors. As at 30 June 2025, it was fully let.

Securities Investment

The Group’s strategy is to maintain securities investment portfolio for treasury management. As at 30 June 2025, the Group’s securities investment portfolio comprised of listed equity investments, bonds and treasury products. The Group’s primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders of the Company. The Group’s strategy for future investments is to invest in a diversified portfolio to minimise risks with attractive yield, good liquidity and issuers from reputable entities, so as to maintain a healthy financial status and grasp every good investment chance.

The net profit recognised from securities investments and treasury products for the Period was approximately HK\$51.4 million. Details of the performance of securities investments are disclosed in the “Financial Operation Review” of this announcement.

The Group will continue to closely monitor its portfolio of securities investment to achieve satisfactory returns.

OTHER INFORMATION AND EVENT AFTER THE REPORTING PERIOD

Change of Member of Nomination Committee

The Board has appointed Ms. Chan, Hoi-wan, an Executive Director and the Chief Executive Officer of the Company, as a member of the Nomination Committee of the Company with effect from 30 June 2025. The Company had made relevant announcement on 30 June 2025.

Leasing of Windsor House – Connected Transactions and Continuing Connected Transactions

On 23 July 2025, the Group (as tenant) entered into tenancy agreements in relation to the renewal of the leasing of the whole of 19th to 21st and 39th floors of Chubb Tower, Windsor House (the “Premises”) with a company indirectly wholly owned by Ms. Chan, Hoi-wan (an Executive Director, the Chief Executive Officer of the Company and a trustee of the substantial shareholders of the Company (who are her minor children)) as trustee of her minor children (as landlord) (the “Transactions”), for the purpose of continuing to use the Premises as the headquarters of the Group. The Transactions constituted connected transactions and continuing connected transactions for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as more described in the Company’s announcement dated 23 July 2025.

PROSPECTS

In the first half of 2025, the global economic environment remained fluid, shaped by policy uncertainty, financial volatility, and geopolitical tensions. Despite this, growth held steady, supported by fiscal expansion, robust domestic activity, and easing inflation. Anticipated interest rate cuts, particularly by the U.S. Federal Reserve, along with supply chain reconfiguration and ongoing structural reforms across Europe and Asia, set a cautiously optimistic tone for the remainder of the year.

Mainland China’s economy is projected to grow steadily in 2025, supported by policy stimulus and resilient industrial activity. While structural challenges remain, recent improvements in exports and easing of trade tensions have helped stabilise sentiment. These developments are expected to support Hong Kong’s external environment, with positive effects on investment confidence and asset market performance.

In Hong Kong, falling HIBOR levels have improved liquidity, while stronger equity market activity and IPO momentum reflect renewed investor confidence. These trends are expected to boost domestic demand and support stable growth in the near term. While retail rents may come under pressure amid business headwinds, recovery in consumption and financial markets, together with supportive policies, should help stabilise the operating environment. The residential market is also expected to show signs of recovery, underpinned by improved sentiment and low interest rates environment.

The Group’s low borrowings have resulted in a minimal gearing ratio and strong cash position, enhancing flexibility to navigate market shifts and pursue new opportunities.

The Group remains confident in the stability of its operations and will continue to exercise caution and respond proactively to evolving conditions. Barring unforeseen developments, it will maintain a prudent and disciplined approach to long-term growth.

AUDIT COMMITTEE REVIEW

The interim results for the Period are unaudited and have not been reviewed by the auditors of the Company. The Audit Committee of the Company, comprised all the Independent Non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial statements for the Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company had applied the principles and complied with the code provisions and certain recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, except the following deviation(s):-

Chairman / Non-executive Director Attending General Meeting

Mr. Lau, Ming-wai, the Chairman of the Board and a Non-executive Director, was unable to attend the annual general meeting of the Company held on 23 May 2025 (the “AGM”) as he had business engagement. Mr. Chan, Kwok-wai, the chairman of the Audit Committee and Remuneration Committee, was elected as the chairman of the AGM to ensure effective communication with shareholders of the Company at the AGM. The chairman of Nomination Committee, Mr. Ma, Tsz-chun had also attended the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms without deviation from the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the “Model Code”). All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code and the said code of conduct during the Period.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees (the “Relevant Employees”) who, because of office or employment, are likely to be in possession of unpublished inside information in relation to the Group’s securities had been requested to follow such code when dealing in the securities of the Company. All Relevant Employees, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the said code during the Period.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

APPRECIATION

We would like to take this opportunity to express our gratitude to the shareholders for their continuing support. We would also like to express our sincere thanks to all staff members for their dedication and hard work.

On behalf of the Board
Lau, Ming-wai
Chairman

Hong Kong, 15 August 2025

As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan and Ms. Chan, Lok-wan as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Mr. Leung, Yun-fai and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: <https://www.chineseestates.com>

This results announcement is published on the website of the Company (<https://www.chineseestates.com>) and the HKEXnews website (<https://www.hkexnews.hk>).

Results Highlights will also be posted on the Company’s website on 15 August 2025.