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WING TAI PROPERTIES LIMITED

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025, INTERIM DIVIDEND AND RECORD DATE

CHAIRMAN'S STATEMENT

Dear Shareholders,

Hong Kong's property sector continued to face considerable challenges amid prolonged economic uncertainties. Ongoing US-China trade tensions, weak consumption, and cautious investment sentiment have further constrained economic activities, and created a difficult operating environment. In response, developers have adopted competitive pricing strategies for new residential launches to stimulate demand. The property sector's recovery continued to depend on broader economic improvements and a revival in consumer and investor confidence.

Against this backdrop, residential properties sales have gained momentum, supported by a recovering stock market and decline in Hong Kong Interbank Offered Rate ("HIBOR"), albeit at restrained pricing. Meanwhile, high supply and weak demand continued to pressure Grade A office rents. This weak market condition is expected to persist until better local economic recovery.

In line with the downward trend on property values in Hong Kong and based on independent valuation, the Group recorded net valuation loss on investment properties and impairment provision on properties under development of HK\$1,268 million (2024: HK\$1,352 million). Including net valuation loss on financial instruments of HK\$27 million (2024: HK\$17 million), total non-cash net valuation loss was HK\$1,295 million (2024: HK\$1,369 million).

Excluding such non-cash net valuation loss, core consolidated profit attributable to shareholders was HK\$108 million (2024: HK\$32 million) mainly due to a gain on disposal of an investment property in London and lower finance cost. Core earnings per share was HK\$0.08 (2024: HK\$0.02). Including non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$1,187 million (2024: HK\$1,337 million), and loss per share was HK\$0.87 (2024: HK\$0.99).

With prudent consideration of the Group's business performance and financial position, the Board of Directors recommended an interim dividend of HK3.0 cents per share, which amounted to HK\$41.0 million.

To capitalise on improved sentiment in residential market, mainly driven by decline in HIBOR since May, we launched the pre-sale of UNI Residence, our joint-venture residential site near Tai Wai and Hin Keng MTR stations, achieving positive results with around 40% of the total units pre-sold. In addition, we managed to sell some remaining units of OMA OMA and OMA by the Sea. Cloudview, our medium-density residential site near Sheung Shui MTR, obtained pre-sale consent in October 2024 and is ready to launch pre-sale.

Despite the weak sentiment in office leasing market, our Hong Kong Landmark East twin towers achieved an occupancy of approximately 86% which is above market average in Kowloon East. In the meantime, our London office properties have also maintained their stable occupancy during the reporting period. In June, the Group completed the disposal of an investment property located at Brook Street in London's West End which generated about HK\$448 million cash inflow, and reported a disposal gain of HK\$38 million over book value.

Our development in the heart of Central, now named as "Central Crossing", is expected to be completed in mid-2026. Located at 118 Wellington Street between Graham and Cochrane Streets, this rare mixed-used development comprises Grade A offices, a luxury international hotel, bespoke retails and a green open space. This project represents the latest iconic development in Hong Kong by Foster + Partners, a globally acclaimed architecture firm. It aims to bring a new dimension to Central by reinstating historic links and re-establishing local connections, with a permeable public space at the heart of the site. Marketing and pre-leasing works of the project are now in progress.

In the first half of 2025, our Lanson Place Causeway Bay hotel has continued to leverage different channels and seize the opportunities brought by the Government's efforts in promoting "Mega Event Economy" to boost its occupancy. We remained committed to enhancing market awareness and delivering quality service to offer discerning guests a sophisticated home-away-from-home experience in the dynamic neighbourhood of Causeway Bay in the heart of Hong Kong.

In addition, Lanson Place hospitality management company has further extended its footprint in Greater Bay Area. In August, we signed up and managed an upscale serviced apartment, Lanson Place Grand Bayview, Qianhai, Shenzhen, designed by Foster + Partners. The apartment complex comprises 1,028 units and is located in Qianhai CBD, surrounded by Fortune 500 corporate headquarters, financial institutions and innovation hubs.

I would like to express my sincere gratitude to all our dedicated employees for their unwavering commitment and contribution. Their resilience and diligence have been essential in overcoming the challenges during the period and maintaining the smooth operation of our business. I would also like to extend my appreciation to my fellow Board members, business partners and stakeholders for their continued support.

Cheng Wai Chee, Christopher

Chairman

Hong Kong, 21 August 2025

INTERIM RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the unaudited condensed consolidated interim financial information (the “Interim Financial Information”) of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June	
	Note	2025 HK\$'M	2024 HK\$'M
Revenue	3	442.0	560.3
Cost of sales		(184.6)	(252.8)
Gross profit		257.4	307.5
Other gains, net	4	48.6	22.9
Selling and distribution costs		(15.7)	(26.8)
Administrative expenses		(166.0)	(200.5)
Impairment provision for properties for sale		(291.8)	(461.2)
Change in fair value of			
– investment properties		(889.6)	(827.6)
– financial instruments	5	21.9	(47.5)
		(867.7)	(875.1)
Gain on disposal of a subsidiary	12	38.0	-
Loss from operations	6	(997.2)	(1,233.2)
Finance costs		(84.4)	(107.6)
Finance income		64.4	77.0
Share of results of joint ventures		(154.9)	(59.6)
Share of results of an associate		-	0.2
Loss before taxation		(1,172.1)	(1,323.2)
Taxation	7	(16.6)	(38.4)
Loss for the period		(1,188.7)	(1,361.6)
(Loss)/profit for the period attributable to:			
Shareholders of the Company		(1,187.1)	(1,337.1)
Holders of perpetual capital securities		32.7	32.8
Non-controlling interests		(34.3)	(57.3)
		(1,188.7)	(1,361.6)
Loss per share attributable to shareholders of the Company	8		
– Basic		(HK\$0.87)	(HK\$0.99)
– Diluted		(HK\$0.87)	(HK\$0.99)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Note	2025	2024
		HK\$'M	HK\$'M
Loss for the period		(1,188.7)	(1,361.6)
Other comprehensive income/(loss)			
Items that have been/may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		139.4	(19.0)
Net (loss)/gain on net investment hedge		(80.9)	4.7
Release of translation reserve upon disposal of a subsidiary	12	19.7	-
Release of translation reserve upon deregistration of a subsidiary		(7.4)	-
		70.8	(14.3)
Other comprehensive income/(loss) for the period, net of tax		70.8	(14.3)
Total comprehensive loss for the period		(1,117.9)	(1,375.9)
Total comprehensive (loss)/income for the period attributable to:			
Shareholders of the Company		(1,116.3)	(1,351.4)
Holders of perpetual capital securities		32.7	32.8
Non-controlling interests		(34.3)	(57.3)
Total comprehensive loss for the period		(1,117.9)	(1,375.9)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Note	Unaudited 30 June 2025 HK\$'M	Audited 31 December 2024 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		17,253.5	18,459.3
Other properties, plant and equipment		61.3	62.8
Interests in joint ventures		4,920.6	4,808.5
Interests in an associate		44.8	43.8
Financial investments at amortised cost		162.7	372.9
Financial investments at fair value through profit or loss		467.6	483.5
Deferred tax assets		1.5	5.3
Derivative financial instruments		183.5	182.2
		<u>23,095.5</u>	<u>24,418.3</u>
Current assets			
Properties for sale		3,273.6	3,359.7
Trade and other receivables, deposits and prepayments	10	263.0	261.8
Financial investments at amortised cost		255.3	208.7
Financial investments at fair value through profit or loss		125.2	298.5
Other current assets		17.0	32.4
Derivative financial instruments		33.5	50.9
Sales proceeds held in stakeholders' accounts		0.6	-
Tax recoverable		2.7	9.3
Pledged bank deposits		86.0	51.8
Bank balances and cash		2,785.1	2,362.1
		<u>6,842.0</u>	<u>6,635.2</u>
Assets classified as held for sale		-	32.0
		<u>6,842.0</u>	<u>6,667.2</u>
Current liabilities			
Trade and other payables and accruals	11	540.5	568.4
Derivative financial instruments		39.5	1.7
Tax payable		139.3	126.8
Bank and other borrowings		1,292.0	2,088.6
		<u>2,011.3</u>	<u>2,785.5</u>

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2025

	Unaudited 30 June 2025 HK\$'M	Audited 31 December 2024 HK\$'M
Non-current liabilities		
Bank and other borrowings	5,550.5	4,737.4
Derivative financial instruments	15.6	-
Deferred tax liabilities	236.5	241.8
	5,802.6	4,979.2
NET ASSETS	22,123.6	23,320.8
EQUITY		
Shareholders' funds		
Share capital	683.3	678.6
Reserves	19,903.1	21,070.7
	20,586.4	21,749.3
Perpetual capital securities	1,491.4	1,491.4
Non-controlling interests	45.8	80.1
	22,123.6	23,320.8
TOTAL EQUITY	22,123.6	23,320.8

NOTES:

1. Basis of preparation

The Interim Financial Information for the six months ended 30 June 2025 has 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 (the “Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2024.

During the period, the impairment provision for properties for sale has been presented as a separate line in the condensed consolidated income statement. Comparative information is therefore presented consistently and reclassified from other gains, net.

The Interim Financial Information is presented in millions of Hong Kong dollars (HK\$’M).

The Interim Financial Information has been reviewed by the Company’s Audit Committee and, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA, by the Company’s independent auditor, PricewaterhouseCoopers.

This interim results announcement is extracted from the Interim Financial Information.

2. Material accounting policies

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Group’s annual financial statements for the year ended 31 December 2024, except for the amendments to standards of HKFRS Accounting Standards as of 1 January 2025, noted below.

(a) Amendments to standards effective for the current accounting period beginning on 1 January 2025 and relevant to the Group

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the above amendments to standards of HKFRS did not have any significant impact to the Group’s Interim Financial Information in the current and prior periods.

2. Material accounting policies (Continued)

(b) New standards, amendments, interpretations and improvements to standards relevant to the Group that are not yet effective in 2025 and have not been early adopted by the Group

The Group has not early adopted the following new standards, amendments, interpretations and improvements to standards that have been issued but are not yet effective for the period.

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

Except for HKFRS 18, the Group is in the process of making an assessment of the impact of these new standards, amendments, interpretations and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

3. Revenue and segment information

Revenue represents the amounts received and receivable from third parties net of value-added tax and discounts in connection with the following activities:

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Sales of properties and project management income	87.8	215.0
Rental income and property management income	330.8	309.4
Interest income from financial investments	14.7	22.6
Interest income from mortgage loan receivables	1.9	5.6
Dividend income from financial investments	6.8	7.7
	<u>442.0</u>	<u>560.3</u>

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance.

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the six months ended 30 June 2025						
REVENUE						
External sales	89.9	263.7	66.9	21.5	-	442.0
Inter-segment sales	3.6	5.9	-	-	(9.5)	-
Total	<u>93.5</u>	<u>269.6</u>	<u>66.9</u>	<u>21.5</u>	<u>(9.5)</u>	<u>442.0</u>
RESULTS						
(Loss)/profit before change in fair value of investment properties and financial instruments	(357.8)	162.2	(9.6)	37.7	-	(167.5)
Change in fair value of						
– investment properties	(1.9)	(803.2)	(84.5)	-	-	(889.6)
– financial instruments	(71.9)	(2.9)	-	96.7	-	21.9
Gain on disposal of a subsidiary	-	38.0	-	-	-	38.0
(Loss)/profit from operations	<u>(431.6)</u>	<u>(605.9)</u>	<u>(94.1)</u>	<u>134.4</u>	<u>-</u>	<u>(997.2)</u>
Finance costs	(3.7)	(34.6)	(27.3)	(36.2)	17.4	(84.4)
Finance income	17.9	13.5	1.2	49.2	(17.4)	64.4
Share of results of joint ventures	<u>(152.6)</u>	<u>(2.0)</u>	<u>(0.3)</u>	<u>-</u>	<u>-</u>	<u>(154.9)</u>
(Loss)/profit before taxation	(570.0)	(629.0)	(120.5)	147.4	-	(1,172.1)
Taxation						(16.6)
Loss for the period						<u>(1,188.7)</u>
OTHER ITEMS						
Depreciation and amortisation	0.1	0.7	-	1.8	-	2.6
Impairment provision/(reversal of impairment provision) for properties for sale and financial investments at amortised cost	<u>291.8</u>	<u>-</u>	<u>-</u>	<u>(1.3)</u>	<u>-</u>	<u>290.5</u>

3. Revenue and segment information (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the six months ended 30 June 2024						
REVENUE						
External sales	220.8	282.5	26.7	30.3	-	560.3
Inter-segment sales	8.8	4.9	-	-	(13.7)	-
Total	<u>229.6</u>	<u>287.4</u>	<u>26.7</u>	<u>30.3</u>	<u>(13.7)</u>	<u>560.3</u>
RESULTS						
(Loss)/profit before change in fair value of investment properties and financial instruments	(498.5)	168.1	(47.0)	19.3	-	(358.1)
Change in fair value of						
– investment properties	(1.4)	(771.5)	(54.7)	-	-	(827.6)
– financial instruments	9.5	1.2	-	(58.2)	-	(47.5)
Loss from operations	<u>(490.4)</u>	<u>(602.2)</u>	<u>(101.7)</u>	<u>(38.9)</u>	<u>-</u>	<u>(1,233.2)</u>
Finance costs	(4.9)	(38.5)	(20.3)	(63.2)	19.3	(107.6)
Finance income	24.5	17.7	0.6	53.5	(19.3)	77.0
Share of results of joint ventures	(118.4)	57.5	1.3	-	-	(59.6)
Share of results of an associate	-	0.2	-	-	-	0.2
Loss before taxation	<u>(589.2)</u>	<u>(565.3)</u>	<u>(120.1)</u>	<u>(48.6)</u>	<u>-</u>	<u>(1,323.2)</u>
Taxation						(38.4)
Loss for the period						<u>(1,361.6)</u>
OTHER ITEMS						
Depreciation and amortisation	0.1	0.6	0.1	1.6	-	2.4
Impairment provision for properties for sale and financial investments at amortised cost	<u>461.2</u>	<u>-</u>	<u>-</u>	<u>2.6</u>	<u>-</u>	<u>463.8</u>

The following is an analysis of the Group's revenue by geographical areas in which the customers are located, irrespective of the origin of the goods/services:

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Hong Kong	403.1	513.3
United Kingdom	10.5	11.3
Singapore	8.9	9.8
The People's Republic of China other than Hong Kong	2.1	2.5
Others	17.4	23.4
	<u>442.0</u>	<u>560.3</u>

4. Other gains, net

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Compensation income arising from obstruction to right of light access of an investment property	8.6	-
Exchange gains/(losses), net	14.9	(0.9)
Forfeited deposits received from properties sales	-	0.7
Gain on disposal of financial investments	8.5	-
Gain on disposal of other properties, plant and equipment	0.2	-
Gain on release and discharge of other long-term liability	-	14.9
Provision for doubtful debts	(0.3)	(0.6)
Release of translation reserve upon deregistration of a subsidiary	7.4	-
Reversal of impairment provision/(impairment provision) for financial investments at amortised cost	1.3	(2.6)
Other charges to tenants	3.0	6.5
Others	5.0	4.9
	<u>48.6</u>	<u>22.9</u>

5. Change in fair value of financial instruments

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Net fair value gain/(loss) on derivative financial instruments	4.3	(19.3)
Net gain/(loss) on financial investments at fair value through profit or loss	19.1	(25.9)
Loss on mortgage loan receivables at fair value through profit or loss	(1.5)	(2.3)
	<u>21.9</u>	<u>(47.5)</u>

6. Loss from operations

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Loss from operations has been arrived at after charging/(crediting) the following:		
Share-based compensation expenses	8.1	14.6
Staff costs including directors' remuneration	152.1	165.0
Cost of properties included in cost of sales	76.4	169.5
Depreciation of other properties, plant and equipment	2.6	2.4
Direct operating expenses arising from investment properties generating rental income	107.5	82.5
Gain on disposal of other properties, plant and equipment	(0.2)	-
Operating lease rental expenses in respect of land and buildings	0.3	0.4
	<u></u>	<u></u>

7. Taxation

Hong Kong profits tax has been calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Current taxation		
– Current tax on profits for the period	18.3	24.1
Deferred taxation		
– Change in fair value of investment properties	(0.1)	(0.1)
– Temporary differences on tax depreciation	16.3	12.6
– Recognition of tax losses	(17.9)	(11.6)
– Other temporary differences	-	13.4
	(1.7)	14.3
Income tax expenses	16.6	38.4

8. Loss per share

The calculation of the basic and diluted loss per share for loss attributable to shareholders of the Company is based on the following financial information:

	Six months ended 30 June	
	2025	2024
	HK\$'M	HK\$'M
Loss attributable to shareholders of the Company	(1,187.1)	(1,337.1)
	Six months ended 30 June	
	2025	2024
Weighted average number of ordinary shares in issue	1,363,171,605	1,357,200,279
Effect of dilutive potential shares issuable under the Company's share option plans and share award plan	-	-
Weighted average number of shares for the purpose of calculating diluted loss per share	1,363,171,605	1,357,200,279
Basic loss per share	(HK\$0.87)	(HK\$0.99)
Diluted loss per share	(HK\$0.87)	(HK\$0.99)

8. Loss per share (Continued)

The Company has share options and share awards outstanding for the six months ended 30 June 2025 which are not included in the calculation of diluted loss per share as they are anti-dilutive.

9. Interim dividend

	Six months ended 30 June 2025 HK\$'M	2024 HK\$'M
Interim dividend of HK3.0 cents (2024: HK3.0 cents) per ordinary share	41.0	40.7

On 21 August 2025, the Board of Directors has resolved to declare an interim dividend of HK3.0 cents (2024: HK3.0 cents) per ordinary share. This interim dividend, amounting to HK\$41.0M (2024: HK\$40.7M), has not been recognised as a liability in the Interim Financial Information. It will be recognised in shareholders' equity in the year ending 31 December 2025.

10. Trade and other receivables, deposits and prepayments

	30 June 2025 HK\$'M	31 December 2024 HK\$'M
Trade receivables (Note a)	16.9	15.6
Deferred rent receivables	8.3	13.4
Amounts due from joint ventures	12.6	11.8
Loans to joint ventures	28.3	28.1
Amounts due from non-controlling interests	109.0	82.6
Contract assets (Note b)	7.3	5.4
Other receivables, deposits and prepayments	80.6	104.9
	263.0	261.8

Notes:

- (a) The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date, based on the invoice dates:

	30 June 2025 HK\$'M	31 December 2024 HK\$'M
0 – 30 days	13.9	11.8
31 – 90 days	1.6	2.3
Over 90 days	1.4	1.5
	16.9	15.6

10. Trade and other receivables, deposits and prepayments (Continued)

(b) It mainly represents sales commissions incurred for obtaining property sales contracts.

11. Trade and other payables and accruals

	30 June 2025 HK\$'M	31 December 2024 HK\$'M
Trade payables (Note a)	22.0	32.6
Contract liabilities (Note b)	12.0	8.2
Rental deposits received	124.9	134.4
Construction costs payable	78.8	67.4
Amounts due to joint ventures	93.8	89.7
Other payables and accruals	209.0	236.1
	<u>540.5</u>	<u>568.4</u>

Notes:

(a) The ageing analysis of the Group's trade payables based on invoice date at the balance sheet date is as follows:

	30 June 2025 HK\$'M	31 December 2024 HK\$'M
0 – 30 days	21.9	31.6
31 – 90 days	0.1	1.0
	<u>22.0</u>	<u>32.6</u>

(b) It mainly represents sales deposits received from property sales.

12. Gain on disposal of a subsidiary

In June 2025, the Group disposed of its entire interest in a subsidiary holding the commercial property located at 8-12 (even) Brook Street, London. The disposal was completed in June 2025. Disposal gain was arrived as follows:

	2025 HK\$'M
Proceeds from disposal of a subsidiary	451.0
Less: Net liability of a subsidiary (Note)	40.7
Amount due to the Group	(430.9)
Transaction cost	(3.1)
Release of translation reserve upon disposal of a subsidiary	(19.7)
Gain on disposal of a subsidiary	<u>38.0</u>

Note:

The net liability of the subsidiary mainly comprises of an investment property amounted to HK\$385.4M and amount due to the Group of HK\$430.9M.

INTERIM DIVIDEND AND RECORD DATE

The Directors declare the payment of an interim dividend of HK3.0 cents per share for the year ending 31 December 2025 (2024: HK3.0 cents). The interim dividend will be distributed on or around 6 October 2025 to the shareholders whose names appear on the register of members of the Company at the close of business on 11 September 2025 (the Record Date).

In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 11 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2025, the Group's revenue was HK\$442 million, compared with HK\$560 million in 2024. The decrease was mainly due to less sales of remaining units of OMA by the Sea.

Core consolidated profit attributable to shareholders, excluding non-cash net valuation loss and impairment provision, was HK\$108 million, an increase of HK\$76 million, compared with HK\$32 million in 2024. The increase was mainly attributable to (i) HK\$38 million gain on disposal of an investment property in London, (ii) HK\$28 million decreased loss from the hospitality investment and management segment, and (iii) lower finance cost.

Total non-cash net valuation loss including share of joint ventures, net of non-controlling interest was HK\$1,295 million, compared with HK\$1,369 million in 2024, comprised of (i) HK\$1,268 million net valuation loss and impairment provision including share of joint ventures on our property portfolio (2024: HK\$1,352 million) and (ii) HK\$27 million net valuation loss from financial instruments (2024: HK\$17 million).

Including total non-cash net valuation loss, consolidated loss attributable to shareholders was HK\$1,187 million, a decrease of HK\$150 million, compared with HK\$1,337 million in 2024.

Loss per share attributable to shareholders was HK\$0.87, compared with HK\$0.99 in 2024.

Consolidated loss for the six months ended 30 June 2025 was HK\$1,189 million, a decrease of HK\$173 million, compared with HK\$1,362 million in 2024.

Property Development

The property development segment revenue excluding inter-segment sales was HK\$90 million in the first half of 2025, compared with HK\$221 million in 2024, mainly due to less sales of remaining units of OMA by the Sea. Core segment loss before taxation was HK\$63 million, compared with HK\$20 million in 2024. Due to the continued weakening of Hong Kong property market, and in line with market valuation mark down, impairment provision on our properties under development of HK\$432 million (2024: HK\$577 million) was booked based on the June valuation. Segment loss before taxation including impairment provision and net valuation loss (2025: HK\$507 million; 2024: HK\$569 million) was HK\$570 million, compared with HK\$589 million in 2024.

Wholly-owned project

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. In the first half of 2025, around 3% (in terms of number) of the residential units were sold. Cumulatively, as at 30 June 2025, around 98% (in terms of number) of the residential units were sold. Around 1% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in the first half of 2025.

Majority-owned projects

The Group has a 70% interest in OMA by the Sea, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. In the first half of 2025, around 1% (in terms of number) of the residential units were sold. Cumulatively, as at 30 June 2025, around 97% (in terms of number) of the residential units were sold. Around 1% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in the first half of 2025.

The Group has an 85% interest in Cloudview, located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. This medium-density residential site is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,000 square feet. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work of the project is in progress. Pre-sale consent was obtained in October 2024 and we are preparing for pre-sale launch.

Joint venture projects

The Group has a 50% interest in a commercial mixed-use site in Central. This project is named as “Central Crossing”. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. This development is Foster + Partners’ latest iconic development in Hong Kong, which aims to bring a new dimension to Central by reinstating historic links and re-establishing local connections, with a permeable public space at the heart of the site. The Group is the lead project manager and lead leasing manager for this project. Superstructure work of the project is in progress.

The Group has a 50% interest in a residential site in Sha Tin. This project is named as “UNI Residence”. This site enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a saleable area of approximately 77,000 square feet. Pre-sale consent was obtained in March 2025 and pre-sale was launched in May 2025. The Group is the lead sales and marketing manager for this project. Superstructure work of the project is in progress. As at 30 June 2025, around 40% (in terms of number) of the residential units were pre-sold. Related revenue of the pre-sold units will be recognised upon handover to buyers prior to the project's material date that falls in 2026.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales was HK\$264 million in the first half of 2025, compared with HK\$282 million in 2024. Core segment profit before taxation was HK\$210 million, an increase of HK\$31 million compared with HK\$179 million in 2024, mainly due to HK\$38 million gain on disposal of an investment property in London. Segment loss before taxation including net valuation loss was HK\$629 million, compared with HK\$565 million in 2024, mainly due to higher net valuation loss (2025: HK\$839 million; 2024: HK\$744 million) on office buildings, mainly Landmark East.

As at 30 June 2025, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,940,000 square feet with an aggregate attributable fair market valuation of around HK\$18,000 million. The portfolio covers 1,631,000 square feet in Hong Kong and 309,000 square feet in London.

Wholly-owned properties in Hong Kong

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 30 June 2025, the property achieved an occupancy of approximately 86%. In recognition of our unwavering dedication to enhancing building quality and green standards, we have continued to secure industry-leading certifications, including WELL v2 Platinum issued by International WELL Building Institute, BEAM Plus Existing Buildings Platinum issued by Hong Kong Green Building Council Limited and LEED Existing Buildings Platinum issued by U.S. Green Building Council.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 30 June 2025, the property achieved an occupancy of approximately 67%. Town Planning Board's approval for redevelopment was obtained in April 2021. We obtained first land premium offer which is under appeal.

The Group holds Le Cap and La Vetta, which are low-density residential projects, located at Kau To, Sha Tin, for leasing. Le Cap has 15 residential units including houses and apartments, and 21 car parking spaces of approximately 34,000 square feet saleable area. In 2024, 1 unit and 1 car parking space were sold, and related revenue was recognised upon hand over to the buyer in the first half of 2025. As at 30 June 2025, all of the residential units were leased. La Vetta has 34 residential units including houses and apartments, and 48 car parking spaces of approximately 72,000 square feet saleable area. As at 30 June 2025, around 74% (in terms of number) of the residential units were leased.

Wholly-owned properties in London, the United Kingdom

In June 2025, the Group disposed of its entire interest in the commercial property located at 8-12 (even) Brook Street, London with a gross floor area of approximately 19,100 square feet at a consideration of approximately GBP43 million (equivalent to HK\$451 million) and recognised a disposal gain of HK\$38 million.

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space.

As at 30 June 2025, the above two wholly-owned properties, excluding the disposed commercial property located at Brook Street, West End, achieved an average occupancy of approximately 58%.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located at Fleet Place, City of London. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 404,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces.

The Group has a 21% interest in a commercial property located at 66 Shoe Lane, City of London. The property has a net internal area of approximately 158,000 square feet of Grade A office, ancillary space and retail space. The office space is fully leased to a global Big Four accounting and professional services firm with tenors of 15 years (including rent-free periods) expiring on 28 September 2035.

As at 30 June 2025, the above four joint venture properties achieved an average occupancy of approximately 93%.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$67 million in the first half of 2025, compared with HK\$27 million in 2024. Core segment loss before taxation was HK\$34 million, compared with HK\$65 million in 2024, mainly due to improving business of Lanson Place Causeway Bay hotel. Segment loss before taxation including net valuation loss (2025: HK\$87 million; 2024: HK\$55 million) was HK\$121 million, compared with HK\$120 million in 2024.

Following an extensive refurbishment project led by the world-renowned Parisian hotel design maestro, our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was soft reopened in March 2024, and is building up market awareness and occupancy.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy and performance remained stable, with an average occupancy over 75%.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. Its occupancy and performance remained stable.

Others

This segment represents investing activities and central management and administrative function. Segment revenue was HK\$21 million in the first half of 2025, a decrease of HK\$9 million compared with HK\$30 million in 2024, which was mainly due to a decrease in interest income from financial investments.

Core segment profit before taxation was HK\$51 million, compared with HK\$9 million in 2024, mainly due to lower finance cost. Segment profit before taxation including net valuation gain (2025: HK\$96 million gain; 2024: HK\$58 million loss) was HK\$147 million, compared with segment loss before taxation of HK\$49 million in 2024.

FINANCIAL REVIEW

The Group has been maintaining an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and expansions. A sufficient level of revolving loan facilities is available to cushion the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

Liquidity and Financial Resources

The Group's net assets totalled HK\$22,124 million as at 30 June 2025 (31 December 2024: HK\$23,321 million). The decrease of HK\$1,197 million is mainly resulted from the distribution of the 2024 final dividend of HK\$55 million, distribution to holders of perpetual capital securities of HK\$33 million and the loss for the period of HK\$1,189 million, and offset by increase in translation reserve of HK\$71 million mainly due to appreciation of GBP.

As at 30 June 2025, the Group's bank and other borrowings totalled HK\$6,843 million (31 December 2024: HK\$6,826 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2025		31 December 2024	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	1,292	19%	2,089	31%
Between one and two years	1,915	28%	473	7%
Between two and five years	3,636	53%	4,264	62%
	<u>6,843</u>	<u>100%</u>	<u>6,826</u>	<u>100%</u>

As at 30 June 2025, the Group's gearing ratio is 18.3% (31 December 2024: 19.1%) which is calculated as the Group's net borrowings divided by total equity. The Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$4,058 million (31 December 2024: HK\$4,464 million). Interest for the Group's bank borrowings is on a floating rate basis. The Group will closely monitor the exposure to interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	30 June 2025	31 December 2024
	HK\$ million	HK\$ million
Bank balances and cash	2,785	2,362
Unutilised revolving loan facilities	<u>1,634</u>	<u>2,523</u>
	<u>4,419</u>	<u>4,885</u>

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has limited exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent UK pounds, Renminbi, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure and, if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

As at 30 June 2025, the Group's borrowings were 87% in Hong Kong dollars and 13% in UK pounds. The borrowings in UK pounds were arranged with banks for operations in the United Kingdom. The Group maintains bank balances and deposits substantially in Hong Kong dollars.

Material loans to joint ventures

The Group provided certain loans to joint ventures for financing the projects and the details are set out as follows:

Names of joint ventures:	Notes	30 June 2025 HK\$ million	31 December 2024 HK\$ million
Southwater Investments Limited and its subsidiaries	(a)	2,446	2,366
Kingswood Edge Limited	(b)	849	768
Champion Estate (HK) Limited	(c)	354	316
Others		923	861
Total		<u>4,572</u>	<u>4,311</u>

Notes:

- (a) The loans are unsecured, interest-free, and have no fixed repayment dates. They are for financing the development of a property project in Hong Kong. The Group performs impairment assessment under Expected Credit Losses ("ECL") model. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.
- (b) The loan is unsecured, interest-free, and has no fixed repayment dates. It is for financing an investment in property in London. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.
- (c) The loan is unsecured, interest-free, and has no fixed repayment dates. It is for financing the development of a property project in Hong Kong. Based on the assessment under ECL model, the Group concluded that the amount of ECL is immaterial.

Contingent Liabilities

As at 30 June 2025, the Group had contingent liabilities of HK\$5,485 million (31 December 2024: HK\$5,363 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

Pledge of Assets

As at 30 June 2025, the Group's advances to joint ventures of HK\$4,149 million (31 December 2024: HK\$3,900 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 30 June 2025, several of the Group's investment properties, properties for sale, financial assets at amortised cost, other properties, plant and equipment and bank deposits with carrying values of HK\$4,898 million, HK\$2,736 million, HK\$235 million, HK\$33 million and HK\$86 million, respectively, were pledged to secure credit facilities for the Group.

PROSPECTS

In the first half of 2025, Hong Kong's property market remained under pressure due to delayed US interest rate cut, subdued local consumer sentiment and an uncertain economic outlook. Nonetheless, the number of companies in Hong Kong with overseas or Mainland parent companies reached a record high, underscoring strong confidence in the city as a business hub. Hong Kong capital market also shown notable improvement, with the Hang Seng Index increasing by about 20% during this period. Further, a revival in IPO activity, supported by Chinese Government's policies encouraging offshore fundraising of Mainland companies has further bolster market momentum. These developments are likely to generate a positive wealth effect, improving market sentiment and driving investment activities that could benefit the local property market.

On the other hand, China's ongoing emphasis on advancing technology, including increased investment in areas such as artificial intelligence, reflects its efforts to drive long-term economic development and foster innovation despite external challenges. Such an improved outlook is expected to boost business confidence and encourage cross-border investments. Hong Kong, as a key gateway for Mainland capital, stands to benefit from this renewed optimism. With government initiatives to attract talent and strengthen cross-border collaboration, interest in investing in Hong Kong is likely to grow, with local properties positioned as one of the preferred asset classes.

The residential property market is expected to recover gradually, supported by decline in HIBOR and perceived rate cuts from the US Federal Reserve, as well as the growing demand of more immigrants brought by various government policies including the New Capital Investment Entrant Scheme. Yet, the substantial inventory level would continue to moderate price growth in the foreseeable future. This situation presents both challenges and opportunities for attracting homebuyers.

Our two residential projects, Cloudview is poised for pre-sale launch while UNI Residence has launched pre-sale in May 2025 with positive response from the market. These projects, comprising primarily one-bedroom and two-bedroom units conveniently located near MTR stations, are well-positioned to capture demand from first-time home buyers. We believe both projects will benefit from the Government's Northern Metropolis Development Strategy, and talent initiatives such as the "Top Talent Pass Scheme" and the "Study in Hong Kong" brand, which are likely to attract more potential residents to the area.

Improving sentiment in Central has been bolstered by recent investment and leasing activities, including Hong Kong Exchanges & Clearing's acquisition of approximately 147,000 square feet of office and retail space in One Exchange Square and a record-breaking lease of over 223,000 square feet by Jane Street in the New Central Harbourfront Site 3. Reflecting this renewed confidence in the area, Central Crossing, our commercial mixed-use site in Central, is set to become a landmark development. As the first and only Grade A office development built in a heritage site among Urban Renewal Authority's projects in Hong Kong, this site will embrace the local heritage, and at the same time provide a striking new addition to the city's urban landscape. The vision for this development is to make an exceptional place that is more than world-class in all aspects. This marque project will transform the landscape and legacy of Central, marking a significant step forward in our contribution to the city.

Meanwhile the commercial property market, especially the office sector continues to face challenges. Hong Kong office market in Kowloon East is expected to see continued downward pressure in rents and occupancy rates. On the other hand, London office market remains stable in both rents and occupancy rates.

The Government's active promotion of mega-events would also be likely to attract more tourists to Hong Kong, thus contributing to a potential rise in occupancy rates at our Lanson Place Causeway Bay hotel. We anticipate the gradual improvement in the hospitality sector as the number of tourists and the overall economy continue to recover.

Looking ahead, we maintain a cautiously optimistic outlook regarding the performance of Hong Kong property market. Despite ongoing challenges, the increasingly robust investment sentiment lay a foundation for sustained long-term growth and a gradual recovery. Maintaining a healthy financial position and diversified portfolio has always been our priority. Going forward, we will continue to operate prudently amidst market volatility, diligently pursuing suitable investment opportunities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 470 employees. The Group offers comprehensive remuneration and benefit packages to our employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong. The Group also provides training programmes for employees.

Employees, including Directors, are eligible for the Company's share option plan and share award plan where the share options and/or share awards are generally exercisable by phases within ten years.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules. 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 Listing Rules throughout the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors.

The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the six months ended 30 June 2025, and received confirmations from all Directors that they had fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

INTERIM REPORT

The Interim Report 2025 containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.wingtaiproperties.com and copies thereof will be dispatched to shareholders of the Company on or about 17 September 2025.

By Order of the Board
WING TAI PROPERTIES LIMITED
Chung Siu Wah, Henry
Company Secretary & Group Legal Counsel

Hong Kong, 21 August 2025

As at the date of this announcement, the Directors are:

Executive Directors:

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

Non-executive Directors:

Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William and Chen Chou Mei Mei, Vivien

Independent Non-executive Directors:

Yeung Kit Shing, Jackson, Lam Kin Fung, Jeffrey, Ng Tak Wai, Frederick and Lam Tin Fuk, Fred