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亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

## UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2025

The board of directors (“Board”) of Asiasec Properties Limited (“Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30th June, 2025 with the comparative figures for the corresponding period in 2024 are as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30th June, 2025

		(Unaudited)	
		Six months ended 30th June,	
	Notes	2025	2024
		HK\$'000	HK\$'000
Revenue	(4)	23,370	24,213
Other income	(5)	2,612	6,503
Other gain (loss)	(6)	686	(4)
Rent and rates		(1,757)	(1,679)
Building management fees		(4,980)	(3,612)
Staff costs (including directors' emoluments)		(5,079)	(4,901)
Depreciation and amortisation		(33)	(48)
Repairs and maintenance		(3,250)	(830)
Other expenses		(4,213)	(4,544)
Finance costs		(13,368)	(17,668)
Operating loss before change in fair value of investment properties and financial instruments and (impairment losses) reversal of impairment losses under expected credit loss (“ECL”) model, net		(6,012)	(2,570)
Loss from change in fair value of investment properties		(60,047)	(12,790)
(Impairment losses) reversal of impairment losses under ECL model, net		(274)	215
Net increase (decrease) in fair value of financial assets at fair value through profit or loss (“FVTPL”)		1,728	(603)
Loss before taxation		(64,605)	(15,748)
Income tax credit (expense)	(7)	1,342	(1,289)
Loss for the period	(8)	(63,263)	(17,037)
		HK cents	HK cents
Loss per share			
Basic	(9)	(5.10)	(1.37)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*for the six months ended 30th June, 2025*

	(Unaudited)	
	Six months ended 30th June,	
	2025	2024
	HK\$'000	HK\$'000
Loss for the period	<u>(63,263)</u>	<u>(17,037)</u>
<b>Other comprehensive expense for the period, net of tax:</b>		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of equity instrument at fair value through other comprehensive income ("FVTOCI")	<u>(2,730)</u>	<u>(2,760)</u>
Total comprehensive expense for the period	<u>(65,993)</u>	<u>(19,797)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30th June, 2025

		(Unaudited) 30th June, 2025 HK\$'000	(Audited) 31st December, 2024 HK\$'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		315	348
Investment properties		2,229,660	2,266,120
Interests in an associate		–	–
Equity instrument at FVTOCI		23,230	25,960
Club memberships		4,261	4,261
		<u>2,257,466</u>	<u>2,296,689</u>
<b>Current assets</b>			
Trade and other receivables, prepayments and deposits	(11)	16,330	12,694
Loan receivable		–	–
Financial assets at FVTPL		49,684	52,971
Income tax recoverable		289	383
Cash and cash equivalents		49,047	68,355
		<u>115,350</u>	<u>134,403</u>
<b>Current liabilities</b>			
Creditors and accruals	(12)	26,305	32,152
Income tax payable		1,452	996
Bank borrowing		180,000	100,000
		<u>207,757</u>	<u>133,148</u>
<b>Net current (liabilities) assets</b>		<u>(92,407)</u>	<u>1,255</u>
<b>Total assets less current liabilities</b>		<u>2,165,059</u>	<u>2,297,944</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*continued*)  
*at 30th June, 2025*

	(Unaudited) 30th June, 2025 <i>Notes</i> <i>HK\$'000</i>	(Audited) 31st December, 2024 <i>HK\$'000</i>
<b>Capital and reserves</b>		
Share capital	681,899	681,899
Reserves	<u>994,177</u>	<u>1,060,170</u>
<b>Total equity</b>	<u>1,676,076</u>	<u>1,742,069</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	138,983	140,875
Other borrowings	<u>350,000</u>	<u>415,000</u>
	<u>488,983</u>	<u>555,875</u>
	<u>2,165,059</u>	<u>2,297,944</u>

*Notes:*

**(1) Reviewed by auditor**

The interim financial report of the Group for the six months ended 30th June, 2025 has been reviewed by our auditor, Deloitte Touche Tohmatsu, 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 Hong Kong Institute of Certified Public Accountants (“HKICPA”) and an unmodified review conclusion has been issued.

**(2) Basis of preparation**

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

The Company has delivered the financial statements for the year ended 31st December, 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (“CO”).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

In preparing the condensed consolidated financial statements, the directors of the Company (“Directors”) have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred operating loss for HK\$63,263,000 and has negative operating cash flow of HK\$936,000 for the six months ended 30th June, 2025 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$92,407,000, which mainly due to a bank borrowing of HK\$180,000,000 which was due for settlement within twelve months and was classified as current liability.

The Directors have reviewed the Group’s cash flow projections prepared by the management, which cover a period of twelve months from the date of approval of the condensed consolidated financial statements. The Group expects to continue to enhance its liquidity and operating cash flows for the next twelve months upon completion of renovation and commencement of generation of rental income from Laneway (formerly known as Concord Square), a commercial property held by the Group. The Group also has unutilised facility from its intermediate holding company with aggregate amount of HK\$250,000,000 as at 30th June, 2025. Thus, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the Directors have, at the date of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

**(3) Principal accounting policies**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values at the end of each reporting period.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31st December, 2024.

**(3) Principal accounting policies (continued)**

**Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21                      Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current interim period has 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 the condensed consolidated financial statements.

**(4) Revenue and segment information**

	<b>(Unaudited)</b>	
	<b>Six months ended 30th June,</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Rental income from investment properties that is fixed	<b>19,932</b>	20,504
Estate management fees	<b>2,613</b>	2,509
Dividend income from equity instrument at FVTOCI	<b>825</b>	1,200
	<b>23,370</b>	24,213

Revenue from estate management fees is recognised over time. The Group applied the practical expedient in HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15") to recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant lease agreements. As permitted under HKFRS 15, the transaction price of estate management services allocated to the remaining performance obligations as at 30th June, 2025 and 2024 is not disclosed.

**(4) Revenue and segment information (continued)**

The Executive Directors of the Company have been identified as the chief operating decision maker. The Executive Directors regard the Group's business as a single operating segment, which is property leasing and estate management, and review financial information as a whole accordingly. Therefore, no segment analysis of the Group's revenue, results, assets and liabilities are presented.

As at 30th June, 2025, other than financial instruments, the total of non-current assets located in Hong Kong and the People's Republic of China ("PRC") are HK\$2,233,625,000 and HK\$611,000 (31st December, 2024: HK\$2,270,118,000 and HK\$611,000) respectively. During the six months ended 30th June, 2025 and 2024, the revenue is solely derived from Hong Kong.

**(5) Other income**

	<b>(Unaudited)</b>	
	<b>Six months ended 30th June,</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Bank interest income	<b>1,267</b>	2,398
Loan interest income	<b>–</b>	2,236
Interest income from other receivables	<b>137</b>	149
Management fee income from intermediate holding company	<b>380</b>	610
Management fee income from fellow subsidiaries	<b>221</b>	210
Others	<b>607</b>	900
	<b>2,612</b>	<b>6,503</b>

**(6) Other gain (loss)**

	<b>(Unaudited)</b>	
	<b>Six months ended 30th June,</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Net exchange gain (loss)	<b>686</b>	<b>(4)</b>

**(7) Income tax (credit) expense**

<b>(Unaudited)</b>	
<b>Six months ended 30th June,</b>	
<b>2025</b>	<b>2024</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
The charge (credit) comprises:	
Current period	
– Hong Kong Profits Tax	2,040
Overprovision in prior years	
– Hong Kong Profits Tax	(18)
	2,022
Deferred taxation	(733)
Income tax (credit) expense for the period	1,289

**(8) Loss for the period**

<b>(Unaudited)</b>	
<b>Six months ended 30th June,</b>	
<b>2025</b>	<b>2024</b>
<b>HK\$'000</b>	<b>HK\$'000</b>
Loss for the period has been arrived at after charging:	
Depreciation of property, plant and equipment	48
Direct operating expenses of investment properties that generated rental income	4,540
Direct operating expenses of investment properties that did not generate rental income	2,201



**(9) Loss per share**

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

	<b>(Unaudited)</b>	
	<b>Six months ended 30th June,</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	<b>(63,263)</b>	<b>(17,037)</b>

	<b>(Unaudited)</b>	
	<b>Six months ended 30th June,</b>	
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>

**Number of shares**

Number of ordinary shares for the purpose of basic loss per share	<b>1,240,669</b>	<b>1,240,669</b>
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No diluted loss per share was presented as there were no potential ordinary shares in issue for the six months ended 30th June, 2025 and 2024.

**(10) Dividend**

The Board has resolved not to declare any interim dividend for the six months ended 30th June, 2025 (six months ended 30th June, 2024: Nil).

**(11) Trade and other receivables, prepayments and deposits**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30th June,</b>	<b>31st December,</b>
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables	<b>4,946</b>	3,777
Other receivables	<b>9,130</b>	6,557
Prepayments and deposits	<b>2,254</b>	2,360
	<b>16,330</b>	12,694

**(11) Trade and other receivables, prepayments and deposits** *(continued)*

Trade receivables represent rental receivable which are receivable on the presentation of debit notes. The Group generally allows a credit period of 30 days to its tenant. The ageing of these trade receivables of the Group, net of provisions and in accordance with the revenue recognition dates, is as follows:

	(Unaudited) 30th June, 2025 HK\$'000	(Audited) 31st December, 2024 HK\$'000
Within 30 days	2,370	2,234
31-60 days	1,500	1,314
61-90 days	1,066	–
91-120 days	–	220
121-180 days	10	9
	<u>4,946</u>	<u>3,777</u>

**(12) Creditors and accruals**

	(Unaudited) 30th June, 2025 HK\$'000	(Audited) 31st December, 2024 HK\$'000
Trade creditors	702	371
Other creditors	6,459	13,922
Tenants deposits	15,670	14,396
Accrued operating expenses	3,474	3,463
	<u>26,305</u>	<u>32,152</u>

The ageing of the trade creditors of the Group in accordance with invoice date is as follows:

	(Unaudited) 30th June, 2025 HK\$'000	(Audited) 31st December, 2024 HK\$'000
Within 30 days	687	350
31-60 days	–	6
Over 180 days	15	15
	<u>702</u>	<u>371</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Results**

The Group recorded a revenue of HK\$23,370,000 for the six months ended 30th June, 2025, which represented a decrease of approximately HK\$843,000 or 3% as compared with the same period in 2024. The loss for the six months ended 30th June, 2025 was HK\$63,263,000 (2024: HK\$17,037,000). The reason for the decline in the financial performance of the Group was primarily attributable to the higher net decrease in the fair value of investment properties of \$60,047,000 for the reporting period as compared with the corresponding figure of \$12,790,000 for the same period of last year.

### **Business Review**

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

For the six months ended 30th June, 2025, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 90% and the performance of rental income was satisfactory.

The refurbishment of shopping arcade, Laneway (formerly known as Concord Square) was completed and leasing works are proactively in progress. It is expected the arcade to operate in second half of 2025.

## Financial Review

### *Group Assets and Charges*

The total assets of the Group have decreased from HK\$2,431,092,000 as at 31st December, 2024 to HK\$2,372,816,000 as at 30th June, 2025. The net assets of the Group have decreased from HK\$1,742,069,000 as at 31st December, 2024 to HK\$1,676,076,000 as at 30th June, 2025. At 30th June, 2025, carrying value of investment properties of the Group of HK\$1,269,000,000 (31st December, 2024: HK\$1,294,000,000) in Hong Kong were pledged as security for a bank borrowing. The Group has a bank borrowing of HK\$180,000,000 (31st December, 2024: HK\$100,000,000) and will undergo a discussion with the bank for the renewal of banking facilities.

### *Group Financial Position, Liquidity and Financial Resources*

The total liabilities of the Group have increased from HK\$689,023,000 as at 31st December, 2024 to HK\$696,740,000 as at 30th June, 2025. The Group had cash and bank balances of HK\$49,047,000 as at 30th June, 2025 (31st December, 2024: HK\$68,355,000) which were mainly denominated in Hong Kong dollars. The ratio of total liabilities to total assets was approximately 29% (31st December, 2024: 28%). As at 30th June, 2025, the Group had other borrowings of HK\$350,000,000 (31st December, 2024: HK\$415,000,000) which are repayable in more than one year but not exceeding two years and bank borrowing of HK\$180,000,000 (31st December, 2024: HK\$100,000,000) which is repayable within one year with repayment on demand clause. The total equity was HK\$1,676,076,000 (31st December, 2024: HK\$1,742,069,000). The gearing ratio (net debt over total equity) of the Group was 29% (31st December, 2024: 26%).

The Group's outstanding borrowings are interest-bearing at floating rates and are denominated in Hong Kong dollars which will be repaid in the same currency.

To maintain flexible and sufficient cashflow, the Group has unutilized facility from the intermediate holding company of HK\$250,000,000 as at 30th June, 2025 (31st December, 2024: HK\$200,000,000) and intends to obtain proper bank and other borrowings with reasonable pricing terms. The management continuously monitors the gearing ratio and raises new external borrowings when necessary.

For the six months ended 30th June, 2025, the Group had no material exposure to fluctuations in exchange rates and no related hedges.

## **Material Lending Transaction**

The Group focuses on property investment, property leasing and estate management as its principal business, and a limited number of transactions may be carried out by the Group as part of its treasury activities with the intention to effectively utilise its available financial resources on hand from time to time, including (i) subscription of loan notes for investment purpose; and (ii) grant of loans to borrowers, both of which contributed to the loan interest income of the Group. Taking advantage of its cash position and after considering the working capital needs, available business and investment opportunities, a comparison between the fixed deposit interest rate at the material time and the expected rate of return of alternative use of such cash resources, the Group will allocate its resources accordingly with the intention to enhance the returns of its shareholders, including subscribing loan notes as well as providing short term loans.

Loan notes, being investment products, are normally issued by the issuer to multiple subscribers, and the Group subscribes such loan notes for investment purpose which are generally available for trading in the financial market. By contrast, short-term loans which are granted by the Group to borrowers are not investment products, nor they are available for trade. The short-term loans are structured to allow the Group to demand repayment from the borrower at any time. Therefore, while such loans bring in interest income for the Group, it provides certain level of liquidity flexibility to the Group to improve and enhance its financial position quickly, and can use its resources to fund its business activities when favourable opportunities arise. During the period, the Group did not grant any loans to borrowers.

The Group will ensure that it has sufficient working capital for its business operations after the allocation of its resources as above mentioned.

## **Material Acquisition and Disposals**

The Group has no material acquisitions and disposals of subsidiaries, associates and joint ventures during the period of the six months ended 30th June, 2025 and up to the date of this announcement.

## **Significant Investments**

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 30th June, 2025.

## **Contingent Liabilities**

The Group is not aware of any material contingent liabilities as at 30th June, 2025.

## **Events after the Reporting Period**

There are no important events affecting the Group which have occurred after the end of the reporting period ended 30th June, 2025 and up to the date of this announcement.

## **Employees**

As at 30th June, 2025, the Group employed 31 (31st December, 2024: 30) persons, all were employed in Hong Kong. The Group maintains a policy of paying competitive remuneration packages and employees are also rewarded performance related basis including salary and bonus.

In addition to basic salaries, employees in Hong Kong are provided with medical insurance and mandatory provident fund scheme.

## **Business Outlook**

The retail property leasing market in Hong Kong remains challenging in 2025, with continued pressure on rental rates and occupancy levels. While some stabilization has emerged in select prime locations, the broader market continues to face headwinds from cautious consumer spending and ongoing structural changes in retail patterns including local consumers frequently crossing into mainland China. However, there are early signs of potential improvement, with retail sales in Hong Kong showing a year-on-year increase for the first time in over a year. Tourism recovery, though progressing, has yet to fully restore pre-pandemic retail demand levels.

The expected completion and grand opening of Laneway (formerly Concord Square) in the second half of 2025 represents a significant milestone for the Group. We have secured a variety of tenants for the extensively refurbished shopping mall. However, the success of our leasing efforts will continue to depend on finalizing anchor tenant commitments in a competitive environment where retailers remain selective about new commitments and lease terms.

On the macroeconomic front, while Hong Kong achieved 3.1% year-on-year growth in Q2 2025, this growth has not yet translated into meaningful improvement in retail property fundamentals. Recent monetary policy adjustments and expectations of continued easing may provide some support for property values over time, though the benefits to retail leasing markets are likely to be gradual.

The Group maintains a cautious but opportunistic approach, focusing on operational efficiency and selective capital deployment. We remain positioned to benefit from any market recovery and continue to prioritize financial discipline given the uncertain retail environment.

## **INTERIM DIVIDEND**

The Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore does not intend to declare an interim dividend for the six months ended 30th June, 2025 (2024: Nil).

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

During the six months ended 30th June, 2025, the Company has applied the principles of, and complied with, the applicable code provisions set out in the section headed “Part 2 – Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code (“CG Code”) under Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

### **Code Provisions E.1.2 and D.3.3**

Code provisions E.1.2 and D.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee (“Remuneration Committee”) adopted by the Company are in compliance with the code provision E.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the audit committee (“Audit Committee”) adopted by the Company are in compliance with the code provision D.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations were set out in the Corporate Governance Report contained in the Company's Annual Report for the financial year ended 31st December, 2024 and remain unchanged. The Board considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference, and will continue to review the terms at least annually and make appropriate changes if considered necessary.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30th June, 2025. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor 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 HKICPA as well as reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2025.

On behalf of the Board  
**Asiasec Properties Limited**  
**Edwin Lo King Yau**  
*Executive Director*

Hong Kong, 21st August, 2025

*As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Ms. Lisa Yang Lai Sum and Mr. Cheng Chi Kin being the Independent Non-Executive Directors.*