

*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.*

## WING LEE PROPERTY INVESTMENTS LIMITED

### 永利地產發展有限公司\*

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 864)*

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

### INTERIM RESULTS

The board of directors (the “Board”) of Wing Lee Property Investments Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period ended 30 June 2024.

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

*For the six months ended 30 June 2025*

		Six months ended	
		30.6.2025	30.6.2024
		HK\$'000	HK\$'000
	Notes	(unaudited)	(unaudited)
Revenue	3	11,453	13,383
Direct operating expenses		(970)	(516)
		10,483	12,867
Other income		804	1,310
Net changes in fair value of investment properties	9	(169,900)	(67,880)
Administrative expenses		(3,784)	(2,780)
Finance costs	4	(2,232)	(3,743)
Loss before taxation	5	(164,629)	(60,226)
Taxation	6	(752)	(1,045)
Loss for the period		(165,381)	(61,271)
Other comprehensive expense for the period			
Item that will not be reclassified subsequently to profit or loss:			
Equity investments of FVOCI-net movement in fair value reserves (non-recycling)		(30,712)	(24,221)
Total comprehensive expense for the period		(196,093)	(85,492)
Loss per share – basic and diluted (HK cents)	7	(HK cents 42.83)	(HK cents 15.87)

\* for identification purposes only

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
	Notes		
Non-current assets			
Investment properties	9	434,180	604,080
Other property, plant and equipment	10	11,025	11,276
Deferred lease receivables	12	105	247
Other financial assets	11, 15	29,840	55,667
		<u>475,150</u>	<u>671,270</u>
Current assets			
Lease and other receivables	12	927	1,911
Current tax recoverable		–	571
Deposits with banks with original maturity date over three months		–	45,409
Cash and cash equivalents		7,275	33,986
		<u>8,202</u>	<u>81,877</u>
Current liabilities			
Deposits received and other payables	13	6,673	8,304
Bank loans – due within one year		–	80,910
Loan from a related company	16	60,000	–
Income tax payable		252	275
		<u>66,925</u>	<u>89,489</u>
Net current liabilities		<u>(58,723)</u>	<u>(7,612)</u>
Total assets less current liabilities		<u>416,427</u>	<u>663,658</u>
Non-current liabilities			
Bank loans – due after one year		–	51,308
Deferred taxation liabilities		4,547	4,377
		<u>4,547</u>	<u>55,683</u>
Net assets		<u>411,880</u>	<u>607,973</u>
Capital and reserves			
Share capital	14	3,862	3,862
Reserves		408,018	604,111
Total equity		<u>411,880</u>	<u>607,973</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. BASIS OF PREPARATION

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

As at 30 June 2025, the Group had net current liabilities of approximately HK\$58.7 million.

This condition indicates the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company are of the opinion that, after considering the undertakings from its related company controlled by the Company’s controlling shareholder not to demand repayment of debts due from the Group until such time when the Group has sufficient cash resources to satisfy its future working capital and other financial requirements, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the next twelve months from the date of approval for the condensed consolidated financial statements.. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the condensed consolidated financial statements.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, investment in equity instrument designated at fair value through other comprehensive income (“FVOCI”) that are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2024.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements. The Group has not applied any new standard or amendment that is not effective for the current accounting period.

### 3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on properties investment. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, that are regularly reviewed by the executive directors of the Company (the "Executive Directors"), the chief operating decision maker of the Group. The Executive Directors regularly review revenue analysis by locations of the investment properties and relevant types of properties which generate rental income as presented below, and hence no analysis of this single operating segment is presented. Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective locations. The Executive Directors review the overall results of the Group as a whole to make decisions about resources allocation.

Revenue represents the rental income received from operating leases.

An analysis of the Group's revenue by geographical locations of the investment properties and relevant types of properties which generate rental income are as follows:

	<b>Revenue from external customers</b>	
	<b>Six months ended</b>	
	<b>30.6.2025</b>	<b>30.6.2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Hong Kong</b>		
Hong Kong Island:		
Commercial	<b>5,518</b>	7,005
Residential	<b>148</b>	168
Kowloon:		
Commercial	<b>2,706</b>	3,286
Residential	<b>1,745</b>	1,756
Industrial	<b>1,336</b>	1,168
	<b>11,453</b>	13,383

### 4. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30.6.2025</b>	<b>30.6.2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interests on bank loans	<b>2,183</b>	3,743
Interests on loan from a related company	<b>49</b>	—

## 5. LOSS BEFORE TAXATION

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	251	251
and after crediting:		
Interest income (included in other income)	722	1,210
	<u>722</u>	<u>1,210</u>

## 6. TAXATION

	Six months ended	
	30.6.2025	30.6.2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The charge comprises:		
Hong Kong Profits Tax		
– Current period	582	875
Deferred taxation charge	170	170
	<u>752</u>	<u>1,045</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## 7. LOSS PER SHARE

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

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Loss		
Loss for period attributable to owners of the Company for the purpose of basic and diluted loss per share	<b>(165,381)</b>	(61,271)

	<b>Six months ended</b>	
	<b>30.6.2025</b>	30.6.2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>386,175,758</b>	386,175,758

For the six months ended 30 June 2025 and 30 June 2024, the computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for the shares.

## 8. DIVIDEND

No dividend was paid, declared or proposed for the six months ended 30 June 2025 (2024: Nil). The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## 9. INVESTMENT PROPERTIES

	<b>30.6.2025</b>	31.12.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
FAIR VALUE		
At beginning of the period	<b>604,080</b>	851,340
Net decrease in fair value	<b>(169,900)</b>	(247,260)
At end of the period	<b>434,180</b>	604,080

The carrying value of investment properties shown above situated on:

	<b>30.6.2025</b>	31.12.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Land in Hong Kong	<b>434,180</b>	604,080

The fair value of the Group's investment properties at 30 June 2025 and at 31 December 2024 have been arrived at on the basis of valuations carried out by Graval Consulting Limited, an independent firm of professional valuers not related to the Group whose address is at Suite 2401-02, 24/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.

The valuations as at 30 June 2025 and 31 December 2024 have been arrived at by using direct comparison method by making reference to comparable market transactions as available.

All of the Group's investment properties were assumed to be recovered through sales and deferred tax liabilities in respect of fair value changes on investment properties have been estimated taking into account this assumption. The Group has not recognized deferred tax liabilities in relation to changes in fair value of the investment properties that are situated in Hong Kong during the six months ended 30 June 2025 and 2024 as the Group is not subject to any income taxes on disposal of its investment properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

#### 10. OTHER PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, there was no new addition of property, plant and equipment (2024: nil).

#### 11. OTHER FINANCIAL ASSETS

	<b>30.6.2025</b>	31.12.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
<b>Equity instrument designated at FVOCI (non-recycling)</b>		
Unlisted partnership investment	<b>29,840</b>	55,667

The balance represents 10% equity interest in Epic Capital Development Fund I, L.P. ("Epic Fund"), a private limited partnership entity established in the Cayman Islands. The principal activity of Epic Fund is redevelopment of properties located in Hong Kong. The directors of the Company have elected to designate the investment in equity instrument as a FVOCI (non-recycling) as they believe that recognising short-term fluctuations in the investment in profit or loss would not be consistent with the Group's strategy of holding the investment for long term investment purpose and realising the performance potential in the long run. No dividends were received on this investment during the six months ended 30 June 2025 (2024: Nil). As at 30 June 2025, the Fund Property was redeveloped into a commercial building (including shops, offices and carparks) and is intended to be held for sales.

## 12. LEASE AND OTHER RECEIVABLES

	30.6.2025 HK\$'000 (Unaudited)	31.12.2024 HK\$'000 (Audited)
Lease receivables	229	337
Deferred lease receivables (see note below)	391	702
Deposits and other receivables	412	797
	<u>1,032</u>	<u>1,836</u>
Less: non-current portion of deferred lease receivables	(105)	(247)
	<u>927</u>	<u>1,589</u>
Add: Prepayments	–	322
	<u>927</u>	<u>1,911</u>

*Note:*

Deferred lease receivables represent the accumulated difference between effective rental revenue and actual invoiced rental amount.

Included in lease and other receivables, deferred lease receivables of approximately HK\$105,000 (31 December 2024: HK\$247,000) are expected to be recovered over one year and classified as non-current assets, the other lease and other receivables are expected to be recovered or recognised as expense within one year.

The following is an aged analysis of rental receivables (presented based on rental demand notices issued on the first calendar day of each month) at the end of the reporting period:

	30.6.2025 HK\$'000 (Unaudited)	31.12.2024 HK\$'000 (Audited)
Age		
0 – 90 days	229	337

No credit period was granted to tenants of rental of premises. Before accepting any new tenants, the Group will internally assess the credit quality of the potential tenants.



### 13. DEPOSITS RECEIVED AND OTHER PAYABLES

	30.6.2025 HK\$'000 (Unaudited)	31.12.2024 HK\$'000 (Audited)
Rental deposits received	5,564	7,082
Accrued expenses	694	883
Other payables	415	339
	<u>6,673</u>	<u>8,304</u>

Apart from the rental deposits received of approximately HK\$2,163,000 (2024: HK\$1,652,000), all of the rental deposits received, accrued expenses and other payables are expected to be settled or recognised as income within one year or are repayable on demand. The Group has no accounts payable.

### 14. SHARE CAPITAL

	Number of shares	Amount in HK\$	Shown in the condensed consolidated financial statements HK\$'000
Issued and fully paid:			
At 30 June 2024, 31 December 2024 and 30 June 2025	386,175,758	3,861,757	3,862
Ordinary shares			
Authorized:			
At 30 June 2024, 31 December 2024 and 30 June 2025 (HK\$0.01 each)	1,000,000,000	10,000,000	

There were no movements in the share capital of the Company for the six months ended 30 June 2025.

## 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Other than the financial assets carried at fair value as detailed in the following table, the directors of the Company consider that the carrying amounts of other financial instruments that are recorded at amortised cost in these condensed consolidated financial statements approximate their fair values.

<b>Financial assets</b>	<b>Fair value as at 30 June 2025 HK\$'000 (Unaudited)</b>	<b>Fair value as at 31 December 2024 HK\$'000 (Audited)</b>	<b>Fair value hierarchy</b>
Investment in equity instrument designated at FVOCI	<b>29,840</b>	55,667	Level 3

There were no transfers between Levels 1, 2 and 3 during the period.

### Information about Level 3 fair value measurements

	<b>30.6.2025 HK\$'000 (Unaudited)</b>	<b>31.12.2024 HK\$'000 (Audited)</b>	
<b>Valuation techniques</b>	<b>Significant unobservable inputs</b>	<b>Range/weighted average of input</b>	<b>Relationship of unobservable inputs to fair value</b>
Unlisted equity instrument	Adjusted net asset approach	Shops: adjusted weighted unit sale rate Office: adjusted weighted unit sale rate Car park: adjusted market price	HK\$8,640 to HK\$9,240 per sq.ft HK\$11,500 per sq.ft HK\$1,500,000 to HK\$2,700,000 per car park HK\$12,000 to HK\$33,700 per sq.ft HK\$11,700 per sq.ft HK\$1,500,000 to HK\$2,900,000 per car park
			note 1 note 2 note 1 note 1

The fair value of unlisted equity instrument is determined by adjusted net asset method with reference to fair value of the related property assessed by qualified external valuers. The fair value of the related property is using direct comparison method based on price per square foot, using market observable comparable prices of similar properties and adjusted taking into account locations and other individual factors such as floor level, building age, size and conditions of the properties.

*Notes:*

1. The higher the price, the higher the fair value.
2. As at 31 December 2024, HK\$33,700 per sq ft was the unit sales rate for ground floor shop. As at 30 June 2025, the ground floor shop was sold.

The movements during the period in the balance of this Level 3 fair value measurement are as follows:

	<b>30.6.2025</b>	31.12.2024
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Unlisted equity instrument:		
At beginning of the period	<b>55,667</b>	89,503
Payment for capital injection	<b>4,885</b>	6,215
Net unrealised (losses) recognised in other comprehensive income during the period	<b>(30,712)</b>	(40,051)
	<u><b>29,840</b></u>	<u>55,667</u>
At end of the period	<u><b>29,840</b></u>	<u>55,667</u>

Any gain or loss arising from the remeasurement of the Group's unlisted equity instrument held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity instrument, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

## **16. RELATED PARTIES TRANSACTIONS**

Other than the transactions and balances with related parties disclosed in respective notes, the Group had the following related party transactions/balances:

During the six months ended 30 June 2025, the Group has borrowed HK\$60 million from Morning Star Industrial Company Ltd (“MSI”) a company which is controlled by the Company’s controlling shareholder, Mr. Chow Tak Hung. MSI is wholly owned by Mr. Chow Tak Hung (spouse of Ms. Chau Choi Fa, the chairperson and executive director of the Company), Ms. Wong Siu Wah (the chief executive officer and executive director of the Company), and Ms. Chow Woon Yin (an executive director of the Company). The fund was used to fully repay the Group’s existing bank loans. As at 30 June 2025, the loan from MSI was classified as loan from a related company.

The loan from MSI is unsecured and repayable within one year. The aforesaid loan bears interest at 0.73% per annum as at 30 June 2025. During the six months ended 30 June 2025, the interest expenses paid to MSI was approximately HK\$49,000 and was charged at an interest rate ranging from 0.69% to 0.85% per annum, and such amount was included in finance costs as set out in note 4.

According to the letter from MSI to the Board of the Company dated 22 August 2025, in order to provide continuous financial support to the Company, MSI will not demand repayment of the aforesaid loan until such time when the Group has sufficient cash resources to satisfy its future working capital and other financial requirements.

During the six months ended 30 June 2025, the Group has leased one (first half of 2024: two) of its properties to MSI and rental income of approximately HK\$648,000 (six months ended 30 June 2024: HK\$786,000) has been received. As at 30 June 2025, the Group has rental deposit from the leases in the aggregated amount of HK\$324,000 (31 December 2024: HK\$324,000) and such amount is included in rental deposits received as set out in note 13.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is engaged in the business of property investment and leasing of commercial and residential properties in Hong Kong. As at 30 June 2025, the Group held an investment property portfolio of 38 properties located in Hong Kong.

The aggregate market value of the Group's investment properties amounted to approximately HK\$434.2 million as at 30 June 2025 (31 December 2024: approximately HK\$604.1 million). This decrease was due to a net decrease in fair value of the investment properties of approximately HK\$169.9 million. During the six months ended 30 June 2025 (the "Period"), there was no new addition or disposal of investment property.

The Group's revenue for the Period, mainly consisting of gross rental income from the Group's investment properties, amounted to approximately HK\$11.5 million (2024: approximately HK\$13.4 million), representing a decrease of approximately 14.4% in comparison to the corresponding period in 2024. The decrease was mainly due to more rental concessions granted to tenants during the Period as compared to 2024. The Group's investment properties were 82.8% occupied as at 30 June 2025.

As at 30 June 2025, the Group continued to hold a 10% investment in Epic Capital Development Fund I, L.P. (the "Fund"), an exempted limited partnership established in the Cayman Islands that is engaged in a property redevelopment project at No. 32 Hung To Road, Kwun Tong, Kowloon (the "Fund Property"). Reference is made to the investment in the Fund which was announced by the Company as a discloseable transaction on 24 July 2018. In addition, a further discloseable transaction announcement was made by the Company on 23 May 2025, relating to the capital contributions to the Fund. The Fund Property consists of 171 commercial units and 98 carparks. Up to 30 June 2025, 48 commercial units and 19 carparks were sold and completed. The Fund Property has a site area of approximately 9,805 square feet and the total attributable gross floor area upon redevelopment is approximately 146,900 square feet. As the Group holds a minority interest in the Fund only, the Group will go along with the Fund as to their sales marketing strategy with respect to the Fund Property.

The Group's other comprehensive expense for the Period was approximately HK\$30.7 million, as compared to approximately HK\$24.2 million in 2024. This was mainly attributable to the net movement in fair value reserves from the Fund. As the net decrease in fair value reserves from the Fund is a non-cash item and will not be reclassified to profit or loss, it does not have any material adverse effect on the operations or cash flow of the Group.

In general, office demand has undergone a transformation due to a work-from-home revolution, whereby businesses are finding themselves in need of less physical office space. In addition, an oversupply of office space in Kwun Tong area, coupled with a general trend of Mainland firms reducing their investments in Hong Kong office properties, has caused office property values in Kwun Tong area to decrease during the Period, causing the fair value of the Fund Property and the Fund to continue to decrease during the Period. Notwithstanding additional capital injected into the Fund in the first half of 2025 of approximately HK\$4.9 million, this was net off against the net decrease in the fair value reserves from the Fund of approximately HK\$30.7 million, and as a result, as at 30 June 2025, the fair value of the investment of the Fund recorded as other financial assets was approximately HK\$29.8 million (31 December 2024: approximately HK\$55.7 million), representing approximately 6.2% of the Company's total assets as at that date. The total investment cost of the Group into the Fund as at 30 June 2025 was approximately HK\$104.5 million. The decrease in fair value of the Fund since initial investment was approximately HK\$74.6 million. The consideration paid for this investment was financed by the Group's internal funds and new term loan from a related company.

Without taking into account the impact of the aforesaid net decrease in fair value reserves from the Fund, the Group recorded a net loss for the Period of approximately HK\$165.4 million (2024: net loss of approximately HK\$61.3 million).

During the Period, the Group recorded a net decrease in fair value of the Group's investment properties of approximately HK\$169.9 million (2024: net decrease of approximately HK\$67.9 million), which reflected the general market conditions of the commercial retail and residential investment property market in Hong Kong for the period under review. For the first half of 2025, an increased number of owners were selling their retail properties in Hong Kong at substantial discounts as high vacancy rates had put pressure on rents. Moreover, Hong Kong banks are increasingly reluctant to provide credit to potential Hong Kong retail property buyers. These factors have collectively contributed to a downward spiral in Hong Kong retail property prices. Nevertheless, as the net decrease in fair values of the Group's investment properties is a non-cash item and the business of the Group is long-term investment and leasing of properties, it does not have any material adverse effect on the operations or cash flow of the Group.

Without taking into account the impact of the aforesaid net change in fair values of the Group's investment properties, the Group recorded a net profit for the Period of approximately HK\$4.5 million which is in line with that for 2024 of approximately HK\$6.6 million. The decrease of approximately 31.8% in the aforementioned net profit compared to 2024 was mainly attributable to a decrease in rental income and increase in bank charges due to early repayment of bank loans.

Save for the investment properties held by the Group and the investment in the Fund, there was no other significant investment held during the Period. The Group did not introduce or announce any new business or services during the Period.

## PROSPECTS

Whilst the Hong Kong economy has been showing signs of recovery with the rebound of the Hong Kong's stock market in the first half of 2025, the Hong Kong retail property segment is expected to face significant challenges with growing vacancy rates and rents dropping. Retailers are taking a more restrained approach to expansion, leading to lower retail leasing transactions. Additionally, tourists are showing a stronger preference for experiences over highend shopping.

Moreover, the persistent trend of Hong Kong residents traveling to Mainland China for shopping as well as shifting to online shopping has continued to negatively affect the Hong Kong physical retail environment and the Group's leasing business.

Looking ahead, the Hong Kong's economic recovery is still clouded by the geopolitical conflict overseas, the trade tensions between China and USA, and interest rates trend, all of which will continue to bring uncertainty to Hong Kong's economic recovery and impact the Group's rental performance. In an effort to boost consumer confidence and business momentum, we have seen supportive measures from the Hong Kong governments such as strengthening Hong Kong as an international hub, attracting global talent and students, promoting tourism, and hosting mega events. These measures are aimed at boosting market confidence and driving business expansion in Hong Kong which will provide support and resilience to the local economy. Up to now, the Group's portfolio continues to maintain high occupancy rates as our Group has a diverse tenant pool with tenants from different industries. To maintain the occupancy rates, the Group will continue to closely monitor the economic developments and property market changes and make rental policy adjustments accordingly. We will also closely communicate with our tenants and continue to support them during difficult times.

In the Group's efforts to maintain its competitiveness and ensure shareholders' returns, the Group has been cautiously exploring opportunities to diversify its business beyond the rental property market.

Currently, the Group does not have plans for any material investments or acquisitions of capital assets. Due to market uncertainties, the Group will continue to maintain a conservative treasury policy.

The Group will continue to cautiously explore and expand its investment portfolio and may look beyond the Hong Kong region for investment opportunities in efforts to maintain its competitiveness.

## RESULTS

The Group's total comprehensive expense for the Period attributable to owners of the Company amounted to approximately HK\$196.1 million (2024: approximately HK\$85.5 million). Total comprehensive expense for the Period was mainly attributable to a reduction in the decrease in the net changes in fair value of the Group's investment properties which reflects the general market conditions of the commercial retail and residential investment property market in Hong Kong during the Period and the net movement in fair value reserves from the Fund.

Loss per share for the six months ended 30 June 2025 was HK cents 42.83 (2024: HK cents 15.87), representing an increase in loss of approximately HK cents 26.96 per share from the corresponding period last year.

## FINANCIAL REVIEW

### Liquidity and Capital Resources

As at 30 June 2025, the net current liabilities of the Group amounted to approximately HK\$58.7 million (31 December 2024: net current liabilities of approximately HK\$7.6 million). The current ratio, expressed as current assets over current liabilities, was approximately 0.12 (31 December 2024: approximately 0.91). The higher net current liabilities as at 30 June 2025, was mainly due to a new loan from a related company of approximately HK\$60.0 million, which was unsecured and repayable within one year, and this full amount was classified as current liabilities. In addition, the Group used its bank deposits and the proceeds of the new loan from a related company to fully repay its outstanding bank loans of approximately HK\$132.2 million, thus considerably decreased the Group's current and non-current liabilities, and at the same time decreased the Group's current assets. Both factors caused the Group's current ratio to decrease. After taking into account the estimated cash flows generated from the Group's operations, the directors of the Company ("Directors") are satisfied that the Group will have sufficient working capital for its present requirements for the foreseeable future. As such, the management believes that the Group is well positioned with sufficient operating funds to manage its existing operations and investment plans, if any. The management will continue to implement all necessary measures to ensure that the Group maintains adequate cash and appropriate credit facilities to meet its future operating expenditure and loan repayment obligations.

As at 30 June 2025, total equity of the Group decreased to approximately HK\$411.9 million (31 December 2024: approximately HK\$608.0 million). Moreover, as at 30 June 2025, the bank deposits and cash of the Group were approximately HK\$7.3 million (31 December 2024: approximately HK\$79.4 million), with no non-pledged time deposits with banks with original maturity date over three months (31 December 2024: HK\$37.1 million). The significant decrease in the Group's bank deposits and cash was mainly attributable to the full repayment of bank loans and bank loan interest of approximately HK\$134.4 million during the Period and cash outflow from the new capital contribution in the Fund of approximately HK\$4.9 million, which were netted off with a new loan from a related company of approximately HK\$60.0 million raised during the Period together with the cash generated from the operation of the Group and interest earned of approximately HK\$7.2 million.



In order to save on finance costs due to increasing interest rates, the Group's financial strategy was to fully repay all bank loans. During the Period, bank loans bore interest ranging from 5.33 % to 6.34% per annum. As at 30 June 2025, all bank loans were fully repaid, and the carrying amount of our bank loans was nil. The repayments of the bank loans were driven by the above-mentioned financial strategy, and there was no breach of any bank loan covenants during the Period. As at 31 December 2024, the carrying amount of our bank loans was approximately HK\$132.2 million, all of the bank loans were secured by mortgages over certain investment properties and property, plant and equipment of the Group with carrying amounts of approximately HK\$273.3 million, and the bank loans bore interest ranging from 5.63% to 6.34% per annum. As at 30 June 2025, certain of the Group's investment properties, leasehold land and building with an aggregate carrying value of approximately HK\$191.7 million were still subject to mortgages to secure banking facilities of the Group that have been fully repaid, the Group is in the process of arranging mortgage release of these relevant properties. As at 30 June 2025 and 31 December 2024, the Group had no unutilized bank loan facilities. The Group's borrowing was not affected by seasonality. All the Group's bank loans were on floating rate basis. The Group does not use any financial instruments for hedging of interest rate.

Of the total bank loans as at 31 December 2024, approximately HK\$80.9 million (or approximately 61.2%) was repayable within one year or on demand. Approximately HK\$44.6 million (or approximately 33.7%) was repayable after one year but within two years. Approximately HK\$6.7 million (or approximately 5.1%) was repayable after two years but within five years. None was repayable after five years.

The Group's total debt to equity ratio, calculated as total borrowings (being the aggregate of total bank loans and loan from a related company) of approximately HK\$60.0 million (31 December 2024: approximately HK\$132.2 million) divided by shareholder's equity of the Group of approximately HK\$411.9 million (31 December 2024: approximately HK\$608.0 million) was approximately 14.6% as at 30 June 2025 (31 December 2024: approximately 21.7%).

### **Capital Expenditure**

The Group did not incur any material capital expenditure during the Period. It is anticipated that the funding required for future capital expenditure will be principally financed by cash generated from operations, although the Group may consider raising additional funds as and when appropriate.

### **Capital Commitments**

As at 30 June 2025 and 31 December 2024, the Group had no capital commitment contracted for but not provided for in the financial statements in respect of its investment in the Fund.

### **Contingent Liabilities**

The Group had no significant contingent liabilities as at 30 June 2025 and 31 December 2024.

## **Pledge of assets**

Certain of the Group's investment properties with an aggregate carrying value of approximately HK\$180.7 million as at 30 June 2025 (31 December 2024: approximately HK\$262.0 million) were still subject to the mortgages to secure banking facilities of the Group which have been fully repaid. The Group is in the process of arranging mortgage release of these relevant properties.

As at 30 June 2025, one of the Group's leasehold land and buildings with a carrying value of approximately HK\$11.0 million (31 December 2024: approximately HK\$11.3 million) was still subject to the mortgage to secure banking facilities of the Group which have been fully repaid. The Group is in the process of arranging mortgage release of the relevant property.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

There was no material acquisition or disposal of subsidiaries, associates or joint ventures by the Company during the Period under review.

## **TREASURY POLICY**

The Group operates in Hong Kong and the revenue, operating cost, cash and cash equivalent and borrowings were denominated in Hong Kong dollars. As a result, the Group has minimal exposure to exchange rate fluctuation.

The Group adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars. Should the Board consider it appropriate, it may consider investing in debt securities and equity securities. The Group does not use any financial instruments for hedging purposes.

## **RISK MANAGEMENT**

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organization and the external environment with active management participation and effective internal control procedures in the best interests of the Group and its shareholders.

## **HUMAN RESOURCES**

As at 30 June 2025, the Group employed a total of seven employees (31 December 2024: seven employees) in Hong Kong. The Group recorded staff costs of approximately HK\$1.1 million for the six months ended 30 June 2025 as compared to approximately HK\$1.1 million for the corresponding period in 2024.

The Group has entered into employment contracts with all our employees to cover matters such as wages, benefits and grounds for termination. The Group's remuneration policies and packages are reviewed by the management on a regular basis. The Group grants discretionary bonuses to qualified employees based on operation results and individual performance. The Board may also make an offer of the grant of an option to subscribe for share(s) in the capital of the Company to any of our employees under our share option scheme.

## **INTERIM DIVIDENDS**

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## **CORPORATE GOVERNANCE**

The Company has adopted the code provisions of the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Listing Rules as its own code of corporate governance. The Board considers that the Company was in compliance with all applicable code provisions set out in the CG Code during 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 as set out in Appendix C3 to the Listing Rules (the “Model Code”) as its model code for securities transactions by the directors of the Company. Having made specific enquiry, all of the directors of the Company confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

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

Neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company’s listed securities during the six months ended 30 June 2025. As at 30 June 2025, there were no outstanding redeemable securities of the Company.

## **AUDIT COMMITTEE**

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audit committee comprises of three independent non-executive directors of the Company.

The audit committee has reviewed the unaudited interim results for the six months ended 30 June 2025 with the management of the Company.

## **APPRECIATION**

On behalf of the Board, I would like to express my gratitude to all of our shareholders, tenants, professional parties and employees for their continuous support.

By Order of the Board  
**Chau Choi Fa**  
Chairperson

Hong Kong, 22 August 2025

*As at the date of this announcement, the Board comprises four executive directors, namely Ms. Chau Choi Fa, Ms. Wong Siu Wah, Ms. Wong Vivien Man-Li and Ms. Chow Woon Yin and three independent non-executive directors, namely Mr. Lam John Cheung-Wah, Mr. Chui Chi Yun Robert and Mr. Lam Kwok Cheong.*