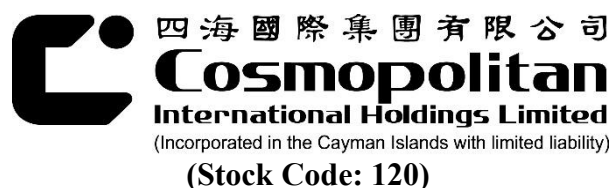


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ANNOUNCEMENT OF 2025 INTERIM RESULTS

FINANCIAL AND BUSINESS HIGHLIGHTS

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M	% Change
Revenue	16.0	314.3	-94.9%
Gross profit	2.3	1.4	+64.3%
Operating loss before depreciation, finance costs and tax*	(20.9)	(35.4)	-41.0%
Loss attributable to equity holders of the parent	(56.5)	(169.0)	-66.6%
Basic loss per share (including ordinary share and convertible preference share) attributable to equity holders of the parent	HK(3.84) cents	HK(11.50) cents	-66.6%
	As at 30th June, 2025 (Unaudited)	As at 31st Dec, 2024 (Unaudited)	
Net asset value per share (including ordinary share and convertible preference share) attributable to equity holders of the parent			
Basic	HK\$0.50	HK\$0.46	+8.7%
Fully diluted**	HK\$0.27	HK\$0.25	+8.0%

* after accounting for, among others, the fair value and impairment losses on properties

** assumed full conversion of the outstanding convertible notes

- For the six months ended 30th June, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$56.5 million, while for the comparative period in 2024, a loss of HK\$169.0 million was incurred.
- The reduction in the attributable loss in the current period was mainly the result of the decrease in the amounts of the tax charges.
- During the period under review, the overall real estate market in China remained sluggish. Progress in the sale of the properties in the Group's two composite developments in Chengdu and Tianjin, which mostly comprise commercial and retail components, was slow.
- The remaining components in the Regal Cosmopolitan City development undertaken by the Group in Chengdu mainly comprise a commercial complex (including a six-storey shopping mall podium), five towers of office accommodation and a hotel building. With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed.
- The Group's other composite development project in China is the Regal Renaissance in Tianjin. The remaining components in the Regal Renaissance mainly consist of a commercial complex and two office towers atop of a four-storey podium.
- The Directors are hopeful that the remaining properties in the Group's two development projects in Chengdu and Tianjin, which still command significant value, will be able to generate for the Group substantial revenues once when the commercial property market in China gradually recovers.

FINANCIAL RESULTS

For the six months ended 30th June, 2025, the Group recorded a consolidated loss attributable to shareholders of HK\$56.5 million, while for the comparative period in 2024, a loss of HK\$169.0 million was incurred. The reduction in the attributable loss between the two

comparative periods was mainly the result of the decrease in the amounts of the tax charges, as in the interim period in 2024, there were exceptional tax charges levied on the Group's property projects in China on account of the revisions in the basis of allocation of project development costs adopted in prior years.

BUSINESS OVERVIEW

During the period under review, the overall real estate market in China remained sluggish. Progress in the sale of the properties in the Group's two composite developments in Chengdu and Tianjin, which mostly comprise commercial and retail components, was slow.

The remaining components in the Regal Cosmopolitan City development undertaken by the Group in Chengdu mainly comprise a commercial complex (including a six-storey shopping mall podium), five towers of office accommodation and a hotel building. With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed. The Group is now actively planning the sale of these remaining component units, both on an en bloc as well as individual units basis.

The Group's other composite development project in China is the Regal Renaissance in Tianjin. Similar with the Regal Cosmopolitan City development in Chengdu, the remaining components in the Regal Renaissance mainly consist of a commercial complex and two office towers atop of a four-storey podium, after the sale of all the residential units in prior years. The overall market conditions in the property sector in Tianjin remained weak, particularly as regards the commercial property segment. The Group will continue to monitor the market conditions, with a view to launching the sale of the remaining properties in the Regal Renaissance when the circumstances are appropriate.

On 31st July, 2025, the Company entered into a placing agreement with a placing agent to place a maximum of 100,000,000 new ordinary shares of the Company at a placing price of HK\$0.108 per placing share, based on the share issuing mandate granted by the shareholders to the Directors of the Company at the annual general meeting of the Company held on 10th

June, 2025. The placing has subsequently been duly completed on 15th August, 2025. Details of the placing are contained in the joint announcements published by the Company dated 31st July and 15th August, 2025, respectively.

In view of the current market conditions, the Directors considered the placing of new shares represented a good opportunity for the Group to raise capital for the reduction of its indebtedness while it can, at the same time, broaden the Company's shareholder base and enhance the liquidity of the Company's shares.

Further detailed information on the Group's development projects, the reforestation and land grant project in Urumqi as well as the Group's other investments is contained in the "Management Discussion and Analysis" section in this announcement.

OUTLOOK

It is believed that the Central Government will continue to roll out different supportive fiscal policies and administrative measures to stimulate demands and to restore market confidence, with a view to stabilising the real estate sector in China and to reversing its downward trend.

The Directors are hopeful that the remaining properties in the Group's two development projects in Chengdu and Tianjin, which still command significant value, will be able to generate for the Group substantial revenues once when the commercial property market in China gradually recovers.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in property development and investment, which are mainly focused in the PRC, and other investments including financial assets investments.

The operating performance of the Group's property and other investment businesses for the period and its future prospects are contained in the sections headed "Business Overview" and "Outlook" above as well as in this sub-section.

The Group has no immediate plans for acquisition of material investments or capital assets, other than those disclosed in the above section headed "Business Overview" and this sub-section.

A brief review on the property projects currently undertaken by the Group in the PRC and the Group's other investments is set out below.

Property Development

Chengdu Project – Regal Cosmopolitan City

Located in the Xindu District in Chengdu, Sichuan Province, the project is a mixed use development consisting of residential, hotel, commercial and office components, with an overall total gross floor area of approximately 495,000 square metres (5,330,000 square feet).

All the residential units in the third stage have been sold in prior years. Total proceeds from the sales of the residential units amounted to approximately RMB2,048.3 million (HK\$2,228.8 million).

The sale of the shops with about 4,110 square metres (44,250 square feet) comprised in the third stage is in progress. Up to date, a total of 4,002 square metres (43,078 square feet) of shops have been sold, for aggregate sale considerations of approximately RMB93.2 million (HK\$101.4 million). The sale of the 1,387 car parking spaces is continuing and, up to date, 548 car parking spaces have been sold or contracted to be sold, for aggregate sales proceeds of approximately RMB56.3 million (HK\$61.3 million). Most of these sale transactions have already been completed and the revenues accounted for in prior financial years.

The interior construction works of the 325-room hotel have been completed. The Completion Certificate for this hotel property has been obtained in January 2024 and the Real Property Ownership Certificate in January 2025.

The remaining commercial components, also within the third stage of the development, comprised a commercial complex of about 52,500 square metres (565,100 square feet) and five towers of office accommodations of about 86,000 square metres (925,700 square feet). With the formal issue of the Completion Certificate for the last four office towers and the shopping arcade blocks, all the development works for the entire project have virtually been completed. The Group is now actively planning the sale of these remaining component units, both on en bloc as well as individual units basis.

The presale programme for the units in one of the office towers, consisting of 434 units with a total of about 19,400 square metres (208,800 square feet), commenced in 2021. Up to date, 335 office units with a total of about 15,017 square metres (161,643 square feet) have been sold under contracts or subscribed by prospective purchasers, for an aggregate sale consideration of RMB128.9 million (HK\$140.3 million).

The sale of the shops of about 2,650 square metres (28,550 square feet) comprised in the commercial portion of the office tower on sale has also commenced in 2022. Up to date, a total of 5 shop units of about 274 square metres (2,949 square feet) have been sold, for aggregate sale considerations of approximately RMB8.1 million (HK\$8.8 million).

Overall, due to the slackened demand, the progress achieved so far on the sale of these office and shop units was relatively slow. The disposal plan of these remaining properties is under active reformulation, having regard to the changing market conditions.

Tianjin Project – Regal Renaissance

Located in the Hedong District in Tianjin, this project is a mixed use development comprising residential, commercial and office components with total gross floor area of about 145,000 square metres (1,561,000 square feet).

All residential units in this development have been sold. The programme for the sale of shops with a total area of about 19,000 square metres (205,000 square feet) in the commercial complex is ongoing. Up to date, shops with a total area of 16,050 square metres (172,762 square feet) have been sold for aggregate sale considerations of approximately RMB374.1 million (HK\$407.1 million). Certain parts of the commercial complex have been leased out for rental income.

The remaining components in this development, which have all been completed, mainly consist of two office towers atop of a four-storey podium. The overall market conditions in the property sector in Tianjin remained weak, particularly as regards the commercial property segment. The Group will continue to monitor the market conditions, with a view to launching the sale of the remaining properties when the circumstances are appropriate.

Xinjiang Project

This is a re-forestation and land grant project for a land parcel with site area of about 7,600 mu undertaken in accordance with the relevant laws and policies in Urumqi, Xinjiang Uygur Autonomous Region. The Group has re-forested an aggregate area of about 4,300 mu within the project site and in accordance with the relevant government policies of Urumqi, a parcel of land with an area of about 1,843 mu (1,228,700 square metres) would be available for real estate development after the requisite inspection of the required re-forestation area, land grant listing and tender procedures are completed. The Group will be entitled to participate in the tender of such land use right and monetary compensation in reference to the re-forestation cost of the Group incurred.

The Group continues to maintain the overall re-forested area. Based on the legal advice obtained, the legitimate interests of the Group in the relevant re-forestation contract remain valid and effective.

Other Investments

Investment in Interra Acquisition Corporation

In September 2022, a wholly owned subsidiary of the Group subscribed for and was allocated a total of 12,210,000 Class A Shares (with attached warrants) of Interra Acquisition Corporation at a subscription price of approximately HK\$122.1 million. Interra is a special purpose acquisition company set up for the purpose effecting a De-SPAC Transaction and is listed on The Stock Exchange of Hong Kong Limited. The investment was funded by bank and other borrowings of the Group and under the terms of offering of Interra, subscribers are afforded redemption rights to protect their investments in the subscribed securities of Interra.

In August 2024, Interra published an announcement in relation to extension of deadline for, among others, publication of announcement in respect of a De-SPAC Transaction, which entitled the Group to exercise the redemption rights attached with the entire Class A Shares of Interra owned by it. The Group exercised the redemption rights in September 2024 and the redemption proceeds of approximately HK\$132.2 million were received by the Group in October 2024.

FINANCIAL REVIEW

ASSETS VALUE

As at 30th June, 2025, the Group's net assets attributable to equity holders of the parent amounted to HK\$730.0 million, representing approximately HK\$0.50 per share (including ordinary share and convertible preference share). Assuming full conversion of the outstanding convertible notes as at 30th June, 2025, the Group's net assets attributable to equity holders of the parent would be approximately HK\$0.27 per share (including ordinary share and convertible preference share) on a fully diluted basis.

CAPITAL RESOURCES AND FUNDING

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. Cash balances are mostly placed on bank deposits, and treasury and yield enhancement products are deployed when circumstances are considered to be appropriate.

The acquisitions of the two ongoing development projects in the PRC in 2013 were financed by the vendors by way of deferred payment of the considerations payable for a period of 3 years, subject to the terms of the relevant sale and purchase agreements. With an objective to align the due dates of the considerations payable with the anticipated progress and completion schedules of the two development projects, by virtue of the agreements entered into between the Group and the vendors and completed in 2016, (i) the consideration payables owing to one of the vendors were refinanced by new 5-year loan facilities, and (ii) the consideration payable

owing to the other vendor was repaid through its subscription of the optional convertible bonds issued by the Group.

In September 2021, the Group entered into a supplemental agreement with Regal Hotels International Holdings Limited group for the extension of the repayment date of the revised loan facilities in the aggregate amount of HK\$857.0 million from 12th October, 2021 to 12th October, 2024. In September 2024, the Group further entered into a second supplemental agreement with the Regal group, principally with the objective to extending the repayment date of the revised loan facilities from 12th October, 2024 to 12th October, 2027, in order that the Group can further align the timing for the repayment of the revised loan facilities with the latest sale progress and completion schedules of the Group's development projects in Chengdu and Tianjin.

Construction and related costs for the property projects for the time being are principally financed by internal resources, proceeds from the presale of the units and drawdown of loan facilities granted by the Regal group as well as through other borrowings. Project financing may be arranged on appropriate terms to cover a portion of the land cost and/or the construction cost, with the loan maturity matching with the estimated project completion date.

Cash Flows

Net cash flows used in operating activities during the period under review amounted to HK\$73.3 million (2024 – HK\$157.7 million). Net interest payment for the period amounted to HK\$12.4 million (2024 – HK\$12.8 million).

Borrowings and Gearing

As at 30th June, 2025, the Group had cash and bank balances and deposits of HK\$35.0 million (31st December, 2024 – HK\$52.5 million) and the Group's borrowings including convertible notes, net of cash and bank balances and deposits, amounted to HK\$1,403.7 million (31st December, 2024 – HK\$1,324.0 million).

As at 30th June, 2025, the gearing ratio of the Group was 42.2% (31st December, 2024 – 40.1%), representing the Group's borrowings including convertible notes, net of cash and bank balances and deposits, of HK\$1,403.7 million (31st December, 2024 – HK\$1,324.0

million), as compared to the total assets of the Group of HK\$3,326.9 million (31st December, 2024 – HK\$3,303.5 million).

Details of the maturity profile of the borrowings of the Group as of 30th June, 2025 are shown in the condensed consolidated financial statements contained in the interim report for the six months ended 30th June, 2025 of the Company (“Interim Financial Statements”) to be published on or before 30th September, 2025.

Lease Liabilities

As at 30th June, 2025, the Group did not have any lease liabilities (31st December, 2024 – Nil).

Pledge of Assets

The Group’s equity interests in companies holding certain property interests were pledged to secure the other borrowings of the Group.

As at 31st December, 2024, certain of the Group’s bank deposits and financial assets at fair value through profit or loss in the amount of HK\$27.2 million were pledged to secure general banking facilities granted to the Group.

Capital Commitments

Details of the capital commitments of the Group as at 30th June, 2025 are shown in the Interim Financial Statements.

Contingent Liabilities

Details of the contingent liabilities of the Group as at 30th June, 2025 are shown in the Interim Financial Statements.

DIVIDEND

The Directors have resolved not to declare an interim dividend for the financial year ending 31st December, 2025 (2024 – Nil).

HALF YEAR RESULTS

Condensed Consolidated Statement of Profit or Loss

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
REVENUE (Notes 2 & 3)	16.0	314.3
Cost of sales	(13.7)	(312.9)
Gross profit	2.3	1.4
Other income and gains (Note 3)	1.7	5.9
Fair value losses on investment properties, net	(0.6)	(1.0)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	0.3	(11.6)
Impairment loss on properties held for sale	(2.2)	—
Property selling and marketing expenses	(0.5)	(6.1)
Administrative expenses	(21.9)	(24.0)
OPERATING LOSS BEFORE DEPRECIATION	(20.9)	(35.4)
Depreciation (Note 4)	(0.3)	(0.6)
OPERATING LOSS (Notes 2 & 4)	(21.2)	(36.0)
Finance costs (Note 5)	(39.0)	(39.3)
LOSS BEFORE TAX	(60.2)	(75.3)
Income tax (Note 6)	3.7	(93.7)
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(56.5)	(169.0)

Condensed Consolidated Statement of Profit or Loss (Cont'd)

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Attributable to:		
Equity holders of the parent	(56.5)	(169.0)
Non-controlling interests	—	—
	<u>(56.5)</u>	<u>(169.0)</u>
 LOSS PER SHARE (INCLUDING ORDINARY SHARE AND CONVERTIBLE PREFERENCE SHARE) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (Note 8)		
Basic and diluted	<u>HK(3.84) cents</u>	<u>HK(11.50) cents</u>

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
LOSS FOR THE PERIOD BEFORE ALLOCATION BETWEEN EQUITY HOLDERS OF THE PARENT AND NON-CONTROLLING INTERESTS	(56.5)	(169.0)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	51.5	(40.9)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Change in fair value of equity investments designated at fair value through other comprehensive income	(0.8)	3.6
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	50.7	(37.3)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(5.8)	(206.3)
Attributable to:		
Equity holders of the parent	(5.8)	(206.3)
Non-controlling interests	—	—
	(5.8)	(206.3)

Condensed Consolidated Statement of Financial Position

	30th June, 2025	31st December, 2024
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
NON-CURRENT ASSETS		
Property, plant and equipment	6.9	7.5
Investment properties	37.6	37.0
Investment in a joint venture	2.4	2.4
Prepayments (Note 9)	152.5	144.3
Equity investments designated at fair value through other comprehensive income	4.0	4.8
Total non-current assets	203.4	196.0
CURRENT ASSETS		
Properties under development	–	1,207.6
Properties held for sale	2,917.5	1,660.2
Loans receivable	1.6	1.6
Deposits, prepayments and other assets (Note 9)	165.1	156.0
Financial assets at fair value through profit or loss	4.3	29.6
Restricted cash	26.8	38.6
Pledged bank balances	–	1.6
Cash and bank balances	8.2	12.3
Total current assets	3,123.5	3,107.5

Condensed Consolidated Statement of Financial Position (Cont'd)

	30th June, 2025	31st December, 2024
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
CURRENT LIABILITIES		
Creditors and accruals	(271.8)	(325.3)
Contract liabilities	(13.4)	(17.8)
Deposits received	(52.0)	(101.4)
Interest bearing bank borrowing	–	(12.5)
Other borrowings (Note 10)	(541.0)	(156.0)
Tax payable	(308.2)	(312.6)
Total current liabilities	(1,186.4)	(925.6)
NET CURRENT ASSETS	1,937.1	2,181.9
TOTAL ASSETS LESS CURRENT LIABILITIES	2,140.5	2,377.9
NON-CURRENT LIABILITIES		
Creditors and accruals	(25.8)	(25.8)
Amount due to related companies	(335.9)	(314.5)
Deposits received	(1.0)	(0.9)
Other borrowings (Note 10)	(857.0)	(1,169.0)
Convertible notes	(40.7)	(39.0)
Deferred tax liabilities	(146.0)	(147.6)
Total non-current liabilities	(1,406.4)	(1,696.8)
Net assets	734.1	681.1
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	29.4	29.4
Reserves	700.6	651.7
	730.0	681.1
Non-controlling interests	4.1	–
Total equity	734.1	681.1

Notes:

1. Basis of Preparation and Accounting Policies

The condensed consolidated financial statements for the six months ended 30th June, 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial statements.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated financial statements.

The Group had a net loss attributable to owners of the parent of HK\$56.5 million (2024 – HK\$169.0 million) for the period ended 30th June, 2025 and net current assets of HK\$1,937.1 million (31st December, 2024 – HK\$2,181.9 million) and net assets of HK\$734.1 million (31st December, 2024 – HK\$681.1 million) as at 30th June, 2025.

The condensed consolidated financial statements were prepared based on the assumption that the Group is operating as a going concern, as the Directors are of the view that the

Group will have sufficient working capital to finance its operations in the next twelve months from 30th June, 2025, after taking into consideration the following:

- (i) the estimated cash flows of the Group for the next twelve months from the end of the reporting period;
- (ii) the plan for acceleration of the sales of the Group's property assets which are readily available for sale, including the office units and other components of the development projects in Chengdu and Tianjin; and
- (iii) the share placements concluded subsequent to the reporting period.

2. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the property development and investment segment comprises the development and sale of properties and the leasing of properties; and
- (b) the financial assets investments segment engages in trading of financial assets at fair value through profit or loss and other financial assets investments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that certain interest income, non-lease-related finance costs, head office and corporate gains and expenses are excluded from such measurement.

The following table presents revenue and profit/(loss) information for the Group's operating segments:

	Property development and investment		Financial assets investments		Consolidated	
	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024	Six months ended 30th June, 2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Segment revenue:						
Sales to external customers	<u>15.0</u>	<u>313.5</u>	<u>1.0</u>	<u>0.8</u>	<u>16.0</u>	<u>314.3</u>
Segment results before depreciation	(11.9)	(12.1)	1.3	(10.9)	(10.6)	(23.0)
Depreciation	<u>(0.3)</u>	<u>(0.6)</u>	<u>–</u>	<u>–</u>	<u>(0.3)</u>	<u>(0.6)</u>
Segment results	<u>(12.2)</u>	<u>(12.7)</u>	<u>1.3</u>	<u>(10.9)</u>	<u>(10.9)</u>	<u>(23.6)</u>
Unallocated interest income and unallocated non-operating and corporate gains					1.6	0.3
Unallocated non-operating and corporate expenses					<u>(11.9)</u>	<u>(12.7)</u>
Operating loss					(21.2)	(36.0)
Finance costs (other than interest on lease liabilities)	(24.5)	(21.3)	–	–	(24.5)	(21.3)
Unallocated finance costs					<u>(14.5)</u>	<u>(18.0)</u>
Loss before tax					(60.2)	(75.3)
Income tax					<u>3.7</u>	<u>(93.7)</u>
Loss for the period before allocation between equity holders of the parent and non-controlling interests					<u>(56.5)</u>	<u>(169.0)</u>
Attributable to:						
Equity holders of the parent					(56.5)	(169.0)
Non-controlling interests					<u>–</u>	<u>–</u>
					<u>(56.5)</u>	<u>(169.0)</u>

3. Revenue, other income and gains are analysed as follows:

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
<u>Revenue</u>		
<i>Revenue from contracts with customers</i>		
Proceeds from sale of properties	13.9	312.8
<i>Revenue from other sources</i>		
Rental income	1.1	0.7
Net gain from sale of financial assets at fair value through profit or loss	0.4	—
Dividend income from listed investments	0.6	0.8
	<u>16.0</u>	<u>314.3</u>
<u>Other income and gains</u>		
Bank interest income	—	0.1
Other interest income	1.6	—
Gain on disposal of items of property, plant and equipment	0.1	—
Others	—	5.8
	<u>1.7</u>	<u>5.9</u>

4. An analysis of profit on sale of properties and depreciation of the Group is as follows:

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Profit on disposal of properties, net	0.4	0.1
Depreciation of property, plant and equipment	0.3	0.4
Depreciation of right-of-use assets	–	0.2
	0.3	0.6

5. Finance costs of the Group are as follows:

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Interest on a bank loan	0.2	0.4
Interest on convertible notes	1.7	1.7
Interest on other borrowings	37.1	37.2
	39.0	39.3

6. The income tax/(credit) charge for the period arose as follows:

	Six months ended 30th June, 2025 (Unaudited) HK\$'M	Six months ended 30th June, 2024 (Unaudited) HK\$'M
Current – PRC		
Charge for the period	–	6.4
Underprovision in prior years	0.3	–
Land appreciation tax	(3.0)	78.6
Deferred	(1.0)	8.7
Total tax charge/(credit) for the period	(3.7)	93.7

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2024 – Nil).

Taxes on the profits of subsidiaries operating in the PRC are calculated at the applicable prevailing rates.

The PRC land appreciation tax is levied on the sale or transfer of state-owned land use rights, buildings and their attached facilities in Mainland China at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for the sale of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

No provision for tax was required for the joint venture as no assessable profits were earned by the joint venture during the period (2024 – Nil).

7. Dividend

No dividend was paid or proposed during the six months ended 30th June, 2025, nor has any dividend been proposed since the end of the reporting period (2024 – Nil).

8. (a) Basic loss per share

The calculation of basic loss per share for the period ended 30th June, 2025 is based on the loss for the period attributable to equity holders of the parent of HK\$56.5 million (2024 – HK\$169.0 million) and on the weighted average of 1,469.2 million (2024 – 1,469.2 million) shares of the Company outstanding (including ordinary shares and convertible preference shares) during the six months ended 30th June, 2025.

(b) Diluted loss per share

No adjustment has been made to the loss per share amount presented for the periods ended 30th June, 2025 and 2024 in respect of a dilution, as the impact of the convertible notes outstanding during the periods had an anti-dilutive effect on the loss per share amount presented.

9. Deposits, prepayments and other assets are analysed as follows:

	30th June, 2025 (Unaudited) HK\$'M	31st December, 2024 (Audited) HK\$'M
Non-current		
Prepayments (Note (a))	152.5	144.3
Current		
Trade debtors (Note (b))	0.9	0.5
Contract costs	0.1	0.1
Prepayments	26.1	19.6
Other receivables (Note (c))	138.0	135.8
Total	165.1	156.0

Notes:

- (a) The amount related to the costs incurred in relation to a re-forestation project in Urumqi, Xinjiang Uygur Autonomous Region, the PRC. In accordance with the prevailing relevant policies and regulations, upon the agreed completion (which has to be certified by the relevant government authorities) of re-forestation works in respect of that land, as well as the completion of the land listing and tender procedures in accordance with the relevant rules and regulations, the Group shall be entitled to monetary compensation in reference to the cost incurred and/or the valuation of the land use right in respect of 30% of the overall project area for development purposes and to participate in the tender of such land use right.

In the prior years, the Group completed the milestones required by the relevant PRC government authorities and obtained affirmations to confirm the fulfillments of the conditions agreed with the relevant policies and regulations. Despite the delay in the progress of the re-forestation works, based on the latest legal opinion obtained, the legitimate interests of the Group in the relevant re-forestation contract remain valid and effective and the Directors of the

Company are of the opinion that costs incurred for the re-forestation works are fully recoverable in future in accordance with the applicable policies and regulations.

- (b) Trade debtors, which generally have credit terms of 30 to 90 days, are recognised and carried at their original invoiced amounts less impairment.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over certain of these balances.

The ageing analysis of these debtors as at the end of the reporting period, based on the invoice date, is as follows:

	30th June, 2025	31st December, 2024
	(Unaudited)	(Audited)
	HK\$'M	HK\$'M
Outstanding balances with ages:		
Within 3 months	0.4	–
Over 1 year	1.0	1.0
	1.4	1.0
Impairment	(0.5)	(0.5)
Total	0.9	0.5

- (c) Included in the balance is an amount of HK\$132.2 million (31st December, 2024 – HK\$132.2 million) due from a brokerage company, representing the proceeds from the redemption of certain financial assets as at 30th June, 2025.

10. Other borrowings are analysed as follows:

	30th June, 2025 (Unaudited) HK\$'M	31st December, 2024 (Audited) HK\$'M
Secured notes (Note (i))	468.0	468.0
Other loans (Note (ii))	930.0	857.0
Total	<u>1,398.0</u>	<u>1,325.0</u>
Analysed into:		
Other borrowings repayable:		
Within one year	541.0	156.0
In the second year	–	312.0
In the third to fifth years, inclusive	857.0	857.0
Total	<u>1,398.0</u>	<u>1,325.0</u>

- (i) On 19th September, 2022, the Group issued a 3-year unsecured note (“Note A”) in an aggregate nominal principal amount of US\$20.0 million at a coupon interest rate of Hong Kong Interbank Offered Rate (“HIBOR”) plus 0.6% per annum.

On 14th April, 2023, the Group issued a 3-year secured note (“Note B”) in an aggregate nominal principal amount of US\$40.0 million at a coupon interest rate of HIBOR plus 3.11% per annum.

Upon the issuance of Note B, the Group pledged the equity interest in a holding company of the Group’s property development project in Chengdu in favour of the holder of both Note A and Note B.

- (ii) Other loans comprise the followings:
- (a) A term loan of HK\$357.0 million (31st December, 2024 – HK\$357.0 million) and revolving loan of HK\$500.0 million (31st December, 2024 – HK\$500.0 million) from a fellow subsidiary, secured by a pledge over the equity interests

in the relevant holding companies of the Group's property development projects. The loans mature on 12th October, 2027 and bear interest at HIBOR plus an interest margin of 1.95% per annum. Both the term loan and revolving loan are accordingly classified as non-current other borrowings as at 30th June, 2025.

- (b) A revolving loan of HK\$73.0 million drawn from a loan facility of HK\$80.0 million, secured by interests in companies holding certain property interests and other assets. The loan effectively bears interest at Hong Kong Dollar Best Lending Rate, as quoted by The Hongkong and Shanghai Banking Corporation Limited, plus an interest margin of 3% per annum. The loan facility matures in January 2027, subject to the lender's right of early cancellation of the facility.

11. Event after the reporting period

On 31st July, 2025, the Company entered into a placing agreement with a placing agent to place a maximum of 100,000,000 new ordinary shares of the Company at a placing price of HK\$0.108 per placing share. Such placement has subsequently been duly completed on 15th August, 2025.

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

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

REVIEW OF RESULTS

The Group's condensed consolidated financial statements for the six months ended 30th June, 2025 have not been audited, but have been reviewed by Ernst & Young, the Company's external auditor, whose review report is contained in the Company's interim report for the six months ended 30th June, 2025 to be despatched to shareholders.

The Audit Committee has reviewed the Group's condensed consolidated financial statements for the six months ended 30th June, 2025, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor.

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30th June, 2025, except that:

- The roles of the Chairman and Chief Executive Officer are not separated and performed by two different individuals, due to practical necessity to cater to the Group's corporate operating structure.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Mr. LO Yuk Sui

(Chairman and Chief Executive Officer)

Mr. Jimmy LO Chun To

(Vice Chairman and Managing Director)

Ms. LO Po Man

(Vice Chairman)

Mr. Kenneth WONG Po Man

(Chief Operating Officer)

Mr. Kelvin LEUNG So Po

(Chief Financial Officer)

Mr. Kenneth NG Kwai Kai

Independent Non-Executive Directors:

Mr. Francis BONG Shu Ying

Ms. Alice KAN Lai Kuen

Mr. David LI Ka Fai, MH

Mr. Abraham SHEK Lai Him, GBS, JP

By Order of the Board

LO YUK SUI

Chairman

Hong Kong, 27th August, 2025