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渝太地產集團有限公司 * Y.T.REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 00075)

2025 Interim Results Announcement

The board of directors (the “Board” or “Directors”) of Y. T. Realty Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
	Notes	2025	2024
		HK\$'000	HK\$'000
REVENUE	2, 3		
Sales of properties		1,486,378	2,709,273
Rental income		-	13,742
Interest income		-	463
Total revenue		1,486,378	2,723,478
Cost of sales		(1,238,101)	(2,138,924)
Gross profit		248,277	584,554
Other income and gains		15,510	6,099
Other expenses and losses		-	(1,094)
Selling and marketing expenses		(174,516)	(242,357)
Administrative expenses		(82,297)	(82,743)
Finance costs	4	(41,403)	(105,470)
Changes in fair value of investment properties		(4,953)	(859)
PROFIT/(LOSS) BEFORE TAX	5	(39,382)	158,130
Income tax expense	6	(23,111)	(142,476)
PROFIT/(LOSS) FOR THE PERIOD		(62,493)	15,654
Attributable to:			
Equity holders of the Company		(66,855)	13,222
Non-controlling interests		4,362	2,432
		(62,493)	15,654
EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY			
HOLDERS OF THE COMPANY			
Basic and diluted	7	(HK8.4 cents)	HK1.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	<u>(62,493)</u>	<u>15,654</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>19,108</u>	<u>(18,104)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>19,108</u>	<u>(18,104)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(43,385)</u></u>	<u><u>(2,450)</u></u>
Attributable to:		
Equity holders of the Company	<u>(43,055)</u>	<u>202</u>
Non-controlling interests	<u>(330)</u>	<u>(2,652)</u>
	<u><u>(43,385)</u></u>	<u><u>(2,450)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	<i>Note</i>	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		204,719	195,546
Investment properties		417,666	344,645
Goodwill		255,652	248,603
Other intangible asset		11,080	11,080
Equity investment designated at fair value through other comprehensive income		1,200	1,200
Deferred tax assets		181,709	159,083
Other receivables		64,741	61,655
Total non-current assets		<u>1,136,767</u>	<u>1,021,812</u>
CURRENT ASSETS			
Properties under development		15,833,112	12,003,558
Interests in land use rights for property development		-	1,272,175
Completed properties held for sale		1,702,290	1,645,969
Other receivables, deposits and prepayments		2,059,440	1,918,866
Prepaid income tax		105,075	124,365
Cash and bank balances		2,946,282	950,914
Total current assets		<u>22,646,199</u>	<u>17,915,847</u>
CURRENT LIABILITIES			
Trade and retention payables	9	3,155,420	2,754,635
Other payables and accrued expenses		1,662,102	1,770,473
Interest-bearing bank and other borrowings		999,797	434,783
Contract liabilities		12,276,387	8,309,714
Tax payable		314,483	293,824
Total current liabilities		<u>18,408,189</u>	<u>13,563,429</u>
NET CURRENT ASSETS		<u>4,238,010</u>	<u>4,352,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,374,777</u>	<u>5,374,230</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

30 June 2025

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	5,374,777	5,374,230
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,751	30,127
Interest-bearing bank and other borrowings	4,557,356	4,506,160
Other payables	8,947	8,387
Total non-current liabilities	4,584,054	4,544,674
Net assets	790,723	829,556
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	79,956	79,956
Reserves	892,732	931,235
	972,688	1,011,191
Non-controlling interests	(181,965)	(181,635)
Total equity	790,723	829,556

Notes:

1 Basis of preparation and accounting policies

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has 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 (“HKICPA”) and the disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The accounting policies and basis of preparation adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as issued by the HKICPA, except for the adoption of the amended HKFRS Accounting Standard and changes in accounting policies as disclosed below:

The Group has adopted the following amended HKFRS Accounting Standard for the first time for the current period’s unaudited interim condensed consolidated financial information:

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 interim condensed consolidated financial information.

2 Operating segment information

For management purposes, the Group is organised into business units based on its business activities and has three reportable operating segments during the first six months of 2025 as follows:

- (a) The property development and trading segment comprises the development and trading of properties;
- (b) The property investment segment invests in properties for rental income and potential capital appreciation; and
- (c) The treasury management segment invests in debt securities and time deposits for earning interest income.

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 profit/(loss) before tax except that general finance costs, unallocated other income and gains and corporate and other unallocated expenses and losses are excluded from this measurement.

Segment assets exclude property, plant and equipment related to head office, an equity investment designated at fair value through other comprehensive income, other intangible asset, certain unallocated cash and bank balances, unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude general interest-bearing bank and other borrowings, unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

2 Operating segment information *(continued)*

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Six months ended 30 June 2025 (Unaudited)				
Segment revenue	1,486,378	-	-	1,486,378
Segment results	30,200	(5,632)	(10)	24,558
Specific finance costs	(41,168)	-	-	(41,168)
General finance costs				(235)
Unallocated other income and gains				486
Corporate and other unallocated expenses and losses				(23,023)
Loss before tax				(39,382)
Income tax credit/(expense)	(24,349)	1,238	-	(23,111)
Loss for the period				(62,493)

	Property development and trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Treasury management <i>HK\$'000</i>	Corporate and others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
At 30 June 2025 (Unaudited)					
Assets and liabilities					
Total assets	23,295,683	419,577	-	67,706	23,782,966
Total liabilities	22,821,485	163,788	-	6,970	22,992,243

Six months ended 30 June 2025 (Unaudited)

Other segment information:					
Capital expenditure*	8,374	67,184	-	2,130	77,688
Depreciation	5,092	-	-	2,111	7,203
Fair value losses on investment properties	-	4,953	-	-	4,953
Reversal of provision for properties under development and completed properties held for sale	18,986	-	-	-	18,986

2 Operating segment information (continued)

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Consolidated HK\$'000
Six months ended 30 June 2024 (Unaudited)				
Segment revenue	2,709,273	13,742	463	2,723,478
Segment results	267,651	11,846	453	279,950
Specific finance costs	(94,492)	(8,459)	-	(102,951)
General finance costs				(2,519)
Unallocated other income and gains				19
Corporate and other unallocated expenses and losses				(16,369)
Profit before tax				158,130
Income tax expense	(140,912)	(1,564)	-	(142,476)
Profit for the period				15,654

	Property development and trading HK\$'000	Property investment HK\$'000	Treasury management HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
At 31 December 2024 (Audited)					
Assets and liabilities					
Total assets	18,515,024	345,809	-	76,826	18,937,659
Total liabilities	17,893,287	202,067	-	12,749	18,108,103

Six months ended
30 June 2024
(Unaudited)

Other segment information:

Capital expenditure*	1,141	33,291	-	-	34,432
Depreciation	5,763	-	-	2,281	8,044
Fair value losses on investment properties	-	859	-	-	859
Provision for properties under development and completed properties held for sale	18,599	-	-	-	18,599

* Capital expenditure consists of additions of property, plant and equipment and investment properties.

2 Operating segment information *(continued)*

Geographical information

(a) Revenue from external customers

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Mainland China	1,486,378	2,709,273
United Kingdom	-	13,742
Hong Kong	-	463
Total	1,486,378	2,723,478

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Mainland China	872,023	783,266
Hong Kong	17,094	16,608
Total	889,117	799,874

The non-current assets information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the six months ended 30 June 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the total revenue of the Group.

3 Revenue

An analysis of revenue is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Sales of properties	<u>1,486,378</u>	<u>2,709,273</u>
Revenue from other sources		
Gross rental income from investment property operating leases:		
Fixed lease payments	-	13,742
Interest income from time deposits	<u>-</u>	<u>463</u>
Subtotal	<u>-</u>	<u>14,205</u>
 Total	 <u><u>1,486,378</u></u>	 <u><u>2,723,478</u></u>

4 Finance costs

An analysis of finance costs is as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest on bank and other borrowings	270,997	158,560
Interest expenses arising from revenue contracts	423,900	480,705
Interest on lease liabilities	512	533
Imputed interest on retention payables	<u>29,607</u>	<u>28,059</u>
Total interest expenses	725,016	667,857
Less: Interest capitalised	<u>(683,613)</u>	<u>(562,387)</u>
 Total	 <u><u>41,403</u></u>	 <u><u>105,470</u></u>

5 Profit/(loss) before tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Depreciation of owned assets	5,169	5,652
Depreciation of right-of-use assets	2,179	2,509
	<u>7,348</u>	<u>8,161</u>
Less: Amount capitalised	(145)	(117)
Total	<u>7,203</u>	<u>8,044</u>
Staff costs (including executive directors' remuneration):		
Wages and salaries	67,590	57,894
Pension scheme contributions	4,632	2,768
Total	<u>72,222</u>	<u>60,662</u>
Foreign exchange differences, net	(1,416)	102
Bank interest income*	(4,396)	(4,654)
(Reversal of provision)/provision for properties under development and completed properties held for sale**	<u>(18,986)</u>	<u>18,599</u>

* This item is included in "Other income and gains" in the consolidated statement of profit or loss.

** This item is included in "Cost of sales" in the consolidated statement of profit or loss.

6 Income tax

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 current and prior periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current - United Kingdom		
Charge for the period	-	1,786
Over-provision in prior years	-	(51)
Subtotal	<u>-</u>	<u>1,735</u>
Current - Mainland China		
PRC corporate income tax	3,952	111,645
PRC land appreciation tax	41,239	52,778
Subtotal	<u>45,191</u>	<u>164,423</u>
Deferred	<u>(22,080)</u>	<u>(23,682)</u>
Total tax expense for the period	<u>23,111</u>	<u>142,476</u>

7 Earnings/(loss) per share attributable to ordinary equity holders of the Company

The calculation of the basic earnings/(loss) per share amounts for the periods is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the periods.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2025 and 2024.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Unaudited Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<u>Profit/(loss)</u>		
Profit/(loss) for the period attributable to ordinary equity holders of the Company	<u>(66,855)</u>	<u>13,222</u>
	Number of shares Six months ended 30 June	
	2025	2024
<u>Shares</u>		
Number of ordinary shares in issue during the period	<u>799,557,415</u>	<u>799,557,415</u>

8 Dividends

The board of directors has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

9 Trade and retention payables

An ageing analysis of the trade payables at the end of the reporting period, based on the invoice date or the progress payment certificate date, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables:		
Within 1 month	1,587,421	1,415,589
Over 1 month but within 2 months	6,119	8,875
Over 2 months but within 3 months	1,818	313
Over 3 months	67,827	59,341
Subtotal	<u>1,663,185</u>	<u>1,484,118</u>
Retention payables	<u>1,492,235</u>	<u>1,270,517</u>
Total	<u>3,155,420</u>	<u>2,754,635</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the first half of 2025, the global economy was challenging and volatile. Even though inflation pressure for the US and many economies was moderate as compared to last year, geopolitical conflicts, trade tensions and high tariffs imposed by the US to many countries dampened global economic growth. In addition, the US Federal Reserve did not cut interest rate during the first half of 2025 due to its expectation of uncertainty of inflation under high tariff environment and it added pressure on the pace of global economic recovery.

In Mainland China, proactive monetary policies and encouraging fiscal stimulus were implemented by the Central Government continued to support economic growth. Despite the political and trade tension with the US continued, a 5.3% growth in Growth Domestic Product (“GDP”) was recorded during the first half of 2025. For the property sector, there appeared signs of bottoming and slight upward momentum in prime areas of first-tier cities and certain second-tier cities.

In the UK, despite inflation and interest rate had decreased from the peak, there was no significant economic growth during the reporting period. The overall UK property market stabilized as interest rate had come down from the peak in 2024. Rental rates and property prices had generally increased as compared to previous corresponding period in most sectors of the property market.

In Hong Kong, the economy experienced steady GDP growth of approximately 3% as compared to the previous year and unemployment rate continued to stay at low level, and exports of goods reported strong growth. However, private consumption expenditure remained relatively sluggish and the overall property market remained weak especially in the retails and office sectors despite interest rate had decreased during the period under review.

For the first half of 2025, the Group’s total revenue amounted to HK\$1,486.4 million, representing a decrease of 45.4% from HK\$2,723.5 million recorded in the last corresponding period. Revenue from property sale decreased by 45.1% from HK\$2,709.3 million to HK\$1,486.4 million. There was no rental income from investment properties during the period (2024: HK\$13.7 million). There was no treasury management income for the period (2024: HK\$0.5 million).

The Group’s net loss attributable to shareholders for the first six months of 2025 amounted to HK\$66.9 million as compared to a profit of HK\$13.2 million in the last corresponding period. Loss per share for the first six-month period of 2025 was HK8.4 cents (2024: earnings per share HK1.7 cents).

The Group’s investment property portfolio was independently valued at the end of the period resulting in revaluation loss of HK\$5.0 million (2024: HK\$0.9 million loss). The revaluation loss was reported in the consolidated statement of profit or loss.

Property Development and Trading

During the first half of 2025, the Group had pre-sales for five property projects in Sichuan, the PRC. The total contract sales was approximately HK\$4,591.4 million (2024: HK\$942.7 million) and the revenue recognised amounted to HK\$1,486.4 million (2024: HK\$2,709.3 million) in the first half of the year.

The breakdown of contract sales in the first half of 2025 is as follows:

Projects	Location	Contract Sales		Average
		Contract Sales <i>RMB'M</i>	GFA <i>Sqm</i>	Selling Price <i>RMB/sqm</i>
Binjiang Wisdom City	Meishan, Sichuan	305.9	37,987	8,053
The City of Islands	Meishan, Sichuan	1,031.3	144,927	7,116
Joyous Time	Chengdu, Sichuan	149.5	9,718	15,384
Luhu Mansion of Value	Chengdu, Sichuan	944.0	16,613	56,823
Jiaozi Mansion of Value	Chengdu, Sichuan	1,848.5	31,944	57,866

Property Investment

As at 30 June 2025, the Group's major investment properties include investment properties under construction in Sichuan, the PRC.

During the first half of 2025, the Group did not have rental income (2024: HK\$13.7 million).

Treasury Management

During the first half of 2025, the Group did not have treasury management income (2024: HK\$0.5 million).

Prospects

It is anticipated that the global economy in the second half of 2025 will remain challenging. Even though inflation for the US and many major economies had decreased from its high and the interest rate is expected to decrease in order to stimulate economic recovery as the economy in the US and major economies around the world was sluggish in the first half of 2025. However, the global economy will certainly be impacted by the uncertain outcome of geopolitical conflicts and trade tension under high tariff environment will undermine the pace and magnitude of economic recovery.

In Mainland China, the magnitude of economic growth will depend on various essential factors such as domestic policies, global economic conditions, the magnitude of trade and political tension, and the uncertainty on high tariff imposed by the US. It is anticipated that the Central Government will continue to provide proactive and accommodative monetary policy and fiscal stimulus to ensure stable economic growth. Necessary supportive policies and measures by the Central Government as well as local government are expected to be implemented to revive the property market which is a vital element of the overall economy. It is expected that the property market will gradually recover and improve in the long run.

In the UK, economic recovery will depend on the pace of interest rate cut, and the economic and geopolitical conditions around the world. It is anticipated that economic growth will be challenging and the magnitude of recovery of the property market remains uncertain until interest rate is reduced to substantial level to stimulate sustainable economic growth. The Group will continue to monitor the market conditions in the UK to assess the viability of the UK property market for future business opportunities.

In Hong Kong, it is anticipated that the pace of economic growth will be affected by the interest rate cycle of the US and various key economic drivers such as tourism, private expenditure, and the economic growth of Mainland China. It is expected that the property market across sectors will remain weak until substantial interest rate cuts and sustainable economic expansion take place, and consumer confidence is restored to encouraging level.

In the challenging economic environment, the Group will continue to adhere to prudent and proactive approach for its business operations and development. The Group will look for business opportunities in property markets with stable and economic prospects for sustainable growth to enhance the returns for our shareholders in the long run. The Group will continue its efforts in the property business in Mainland China which is expected to continue to recover and improve under supportive policies and measures by the Central Government and local government authorities.

Liquidity and Financial Resources

As at 30 June 2025, the Group had net borrowing of HK\$2,610.9 million (31 December 2024: HK\$3,990.0 million), consisting cash and bank balances of HK\$2,946.3 million (31 December 2024: HK\$950.9 million) and total borrowings of HK\$5,557.2 million (31 December 2024: HK\$4,940.9 million). The gearing ratio of the Group was 268.4% (31 December 2024: 394.6%). The gearing ratio, if any, is calculated as the ratio of net borrowings to shareholders' funds.

As at 30 June 2025, the total cash and bank balances amounted to HK\$2,946.3 million (31 December 2024: HK\$950.9 million), approximately 98.1% (31 December 2024: 98.7%) was denominated in RMB, 1.7% (31 December 2024: 1.1%) in HKD, 0.1% (31 December 2024: 0.1%) in USD, and 0.1% (31 December 2024: 0.1%) in GBP.

As at 30 June 2025, the Group's total borrowings amounted to HK\$5,557.2 million (31 December 2024: HK\$4,940.9 million). Certain borrowings are secured by the pledge of certain property interest and equity interests in certain subsidiaries of the Group. 100% of total borrowings was denominated in RMB (31 December 2024: 100%). The Group proactively managed its financial resources and devised appropriate funding plan for working capital and capital expenditure.

The maturity profile of the Group's bank and other borrowings as at 30 June 2025 is as follows:

	HK\$'M	Percentage
Repayable:		
Within one year or on demand	999.8	18.0%
In the second year	2,735.7	49.2%
In the third to fifth years, inclusive	1,821.7	32.8%
Total	<u>5,557.2</u>	<u>100.0%</u>

The Group has its major property business operations in the Mainland China. Therefore, it is primarily subject to foreign exchange rate fluctuation of Renminbi .

Contingent Liabilities/Financial Guarantees

As at 30 June 2025, the Group provided financial guarantees to certain banks in respect of mortgage facilities provided for certain purchasers of the Group's properties in the Mainland China amounting to HK\$8,417.6 million (31 December 2024: HK\$7,419.7 million).

Save as disclosed above, the Group did not have any contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

STAFF

As at 30 June 2025, the Group employed 469 staff members. Staff remuneration is reviewed by the Group from time to time. In addition to salaries, the Group provides staff benefits including medical insurance, pension scheme and discretionary vocational tuition/training subsidies. Share options and bonuses are also available to employees of the Group at the discretion of the board depending upon the financial performance of the Group.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE CODE

Throughout the accounting period covered by the interim report, the Company complied with the code provisions of the Corporate Governance Code (the “CG Code”) set out within Appendix C1 to the Listing Rules save for the deviations as described below.

The Company has deviated from C.2.1 of the CG Code to the extent that the roles of chairman and chief executive are both performed by Mr. Wong Hy Sky (“Mr. Wong”). Having considered the existing structure and composition of the board and operations of the Group in Hong Kong, the Board believes that vesting the roles of both chairman and managing director in Mr. Wong facilitates the effective implementation and execution of its business strategies by, and ensure a consistent leadership for, the Group. Further, a balance of power and authority between the Board and management can be ensured by the operation of the Board, whose members (including the three independent non-executive Directors) are individuals of high calibre with ample experience, such that the interests of shareholders can be safeguarded. The Company will continue to review the structure and composition of the Board from time to time to ensure that a balance of power and authority between the Board and management is appropriately maintained for the Group.

Except for Wong Hy Sky, Li Li and Lai Degang who have entered into formal letters of appointment setting out the key terms and conditions of their appointment, the Company has not entered into formal letter of appointment with other Directors which deviated from C.3.3 of the CG Code. This notwithstanding, every Director, including those appointed for a specific term, shall be subject to retirement by rotation, removal, vacation or termination of the office as a director, and disqualification to act as a director in the manner specified in the Company’s bye-laws, applicable laws and the Listing Rules. Shareholders are sent (at the same time as the notice of the relevant general meeting) a circular containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the re-election of each retiring Director who stands for re-election at the meeting, including the information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions for its Directors and its relevant employees (within the meaning of the CG Code) on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “Model Code”).

All Directors confirmed that they had complied with the required standard set out in the Model Code and the Company’s code of conduct regarding directors’ securities transactions throughout the period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares in the Company during the period.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, namely Luk Yu King, James (Chairman of the Audit Committee), Leung Yu Ming, Steven and Lai Degang. The Audit Committee has reviewed this interim results. The Audit Committee has also reviewed the accounting principles and practices adopted by the Company and discussed internal control, risk management and financial reporting matters with management.

On behalf of the board
Wong Hy Sky
Chairman and Managing Director

Hong Kong, 28 August 2025

As at the date hereof, the board of directors of the Company comprises Wong Hy Sky, Liu Jie and Li Li who are executive directors; and Luk Yu King, James, Leung Yu Ming, Steven and Lai Degang who are independent non-executive directors.

** For identification purposes only*