珠光控股
ZHUGUANG HOLDINGS

ZHUGUANG HOLDINGS GROUP COMPANY LIMITED
珠 光 控 股 集 團 有 限 公 司*

(incorporated in Bermuda with limited liability)

(stock code: 1176)

2025 INTERIM RESULTS

The board ("**Board**") of directors ("**Directors**") of Zhuguang Holdings Group Company Limited ("**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 ("**Period Under Review**") together with the comparative figures for the corresponding period in 2024 as follows:

FINANCIAL HIGHLIGHTS

RESULTS

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Revenue by operating segment:		
– Property development	**894,967**	101,036
– Project management services	**506,853**	514,231
– Property investment and hotel operation	**64,603**	108,399
Fair value loss on investment properties, net	**(181,217)**	(119,684)
Loss for the period	**(245,990)**	(859,224)
Loss for the period attributable to owners of the parent	**(213,377)**	(833,805)

	At 30 June 2025	At 31 December 2024
	HK$'000	*HK$'000*
Total assets	**33,196,132**	32,781,140
Total liabilities	**30,126,488**	29,521,670
Total equity	**3,069,644**	3,259,470

* *Chinese name is translated for identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

In the first half of 2025, to stabilise the real estate market, the central government of China prompted the local governments to introduce successive policies to promote home purchases and financial easing measures, effectively stimulating demand and reducing homebuyers' property acquisition costs, thereby boosting market confidence. Additionally, the Chinese central government also implemented new residential regulatory policies, injecting fresh momentum into the development of China's real estate industry. Following the implementation of various policies by the governments, first-tier cities in China demonstrated relatively strong resilience, with inventory pressures gradually easing.

During the first half of 2025, the global economy continued to face multiple challenges and uncertainties in light of factors such as persistent inflation, subdued consumer spending and geopolitical conflicts. Amid such global economic uncertainties, China's real estate industry encountered significant challenges despite the Chinese central government's robust efforts to support the real estate industry.

During the Period Under Review, the Company's urban renewal team remained committed to the execution of the Group's pre-defined strategies, leveraging its professional expertise and dedicated approach to effectively implement the urban renewal projects of the Group, particularly those in the Guangzhou region, thereby enhancing the Group's development highlights and competitive advantages in the future. The Group will continue to promote collaborations with its strategic partners and explore opportunities with financial institutions, government agencies and other industry players to solidify its industry position as an "urban renewal expert".

The Group will also uphold the spirit of craftsmanship, focusing on improving product quality with attention to detail and delivering premium properties to the buyers.

Property Development and Sales

During the Period Under Review, the Group continued its focus on the first-tier and key second-tier cities in the People's Republic of China ("**PRC**") with potential growth in demand for properties. The Group has achieved contracted sales of approximately HK$26,785,000 and contracted gross floor area ("**GFA**") sold of approximately 1,613 square metres ("**sqm**") during the Period Under Review, representing decreases of approximately 89.9% and 80.0%, respectively, as compared with those in the corresponding period in 2024. The details of the contracted property sales and the contracted GFA sold during the Period Under Review are set out below:

Projects	**Contracted sales** *(HK$'000)*	**Contracted GFA sold** *(sqm)*
Zhuguang Financial Town One	24,974	385
Pearl Yijing	780	818
	25,754	1,203
Car parks	1,031	410
	26,785	1,613

As at 30 June 2025, the Group owned the following property development projects, the details of which are as follows:

Zhuguang Financial Town One – 100% interest

"Zhuguang Financial Town One" is located at Huangpu Road East, Tianhe District, Guangzhou City, Guangdong Province, the PRC, which is near the 三溪 (Sanxi*) Station of Guangzhou Metro Line No. 5 and within the scope of the planned 廣州國際金融城 (Guangzhou International Financial Town*) in the Tianhe District. The total site area of this project is approximately 63,637 sqm, which is being developed into office buildings, high-end apartment buildings, shopping malls and a commercial complex including underground car parks over four phases. The total GFA for sale of this project is approximately 391,881 sqm. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 25,189 sqm. During the Period Under Review, contracted sales of approximately HK$24,974,000 with GFA of approximately 385 sqm were recorded with respect to "Zhuguang Financial Town One".

Pearl Yijing – 100% interest

"Pearl Yijing" is located at No. 168 Xinkai Street, Xianghe County, Hebei Province, the PRC, with a site area of approximately 45,310 sqm and a total GFA available for sale of approximately 164,603 sqm. The project was developed into two phases with several residential buildings and street-level commercial areas. As at 30 June 2025, the aggregate GFA available for sale delivered under this project was approximately 154,361 sqm. During the Period Under Review, contracted sales of approximately HK$780,000 with GFA of approximately 818 sqm were recorded with respect to "Pearl Yijing".

Yujing Scenic Garden – 100% interest

"Yujing Scenic Garden" is located at Provincial Highway G105 ("**Highway G105**") line at Jiulibu District, Jiangpu Town, Conghua, Guangzhou City, Guangdong Province, the PRC, which is well connected via a number of highways to and from Guangzhou City. "Yujing Scenic Garden" is a 20-minute drive from downtown Conghua and a 10-minute drive from Wenquan Town, Conghua, with a site area of approximately 294,684 sqm, which is a commercial and residential complex, comprising residential buildings and a street-level commercial podium and car parks. The total GFA available for sale is approximately 757,633 sqm, which comprises four phases of development. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 715,063 sqm.

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Xincheng Yujing – 100% interest

"Xincheng Yujing" was acquired by the Group in September 2016. It is located at 種王上圍 (Zhong Su Shang Wei*), 陽光村 (Sunshine Village*), 湯南鎮 (Tang Nan Town*), 豐順縣 (Fengshun County*), Meizhou City, Guangdong Province, the PRC (next to Line G235), a county famous for its hot spring resources which is a major tourism attraction. The project has a site area of approximately 280,836 sqm and a total GFA for sale of approximately 310,716 sqm. The project has been developed into various types of villas, high-rise apartment buildings and an ancillary commercial development. The development of the project is divided into three phases. Phase I commenced pre-sale during 2017 with delivery commencing in 2018. Phase II commenced pre-sale in 2017 which was completed with delivery commencing in 2019. Phase III commenced delivery during 2020. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 262,683 sqm. The Group has designated GFA of approximately 9,482 sqm of this property as investment properties held for long-term investment purpose. The ancillary commercial building plus a basement with a total GFA of approximately 9,482 sqm were leased out during the Period Under Review.

Pearl Yunling Lake – 100% interest

"Pearl Yunling Lake" is located at Provincial Highway S355 line at Jiekou Street, Conghua, Guangzhou City, Guangdong Province, the PRC, which is adjacent to the Fengyunling Forest Park, and is the main transportation link between Conghua and downtown Guangzhou City. The project site area is approximately 200,083 sqm and the total GFA available for sale is approximately 110,417 sqm. The development is divided into two phases, with Phase I comprising 57 villas and 5 apartment buildings, with an aggregate GFA of approximately 42,884 sqm, and Phase II comprising 44 villas, 3 apartment buildings and a hotel, with an aggregate GFA of approximately 83,773 sqm. Phase I with a total GFA available for sale of approximately 39,046 sqm and Phase II with a total GFA available for sale of approximately 29,040 sqm were launched for sale in the first and third quarters of 2017 respectively, whilst the hotel with a GFA of approximately 42,331 sqm has been retained as a long-term asset of the Group. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 44,053 sqm.

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Tianhu Yujing – 100% interest

"Tianhu Yujing" is located at Shui Di Village, Jiulibu District, Wenquan Town, Conghua, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 55,031 sqm. The land of this project is located adjacent to "Yujing Scenic Garden", and the Group has developed this land together with "Yujing Scenic Garden" to expand the Group's development and presence in Conghua. The project is developed into 5 blocks of 32-storey modern residential buildings and a street-level commercial podium with total GFA available for sale of approximately 186,894 sqm. The development is divided into two phases. The total GFA available for sale under Phase I and Phase II is approximately 97,183 sqm and 89,711 sqm, respectively. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 140,100 sqm.

Yujing Yayuan – 50% interest

"Yujing Yayuan" is located at Guoji, Fuyong, Nanqu, Zhongshan City, Guangdong Province, the PRC. The site area and the total GFA available for development of this project are approximately 15,745 sqm and approximately 38,005 sqm, respectively. The development of this project into five blocks of modern residential buildings, a street-level commercial podium and an underground car park was completed in 2020. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 36,283 sqm.

Hua Cheng Yujing Garden – 100% interest

"Hua Cheng Yujing Garden" was acquired by the Group in 2018. It is located at Zhujiang Xincheng, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 60,237 sqm. The total GFA available for sale of this project which belongs to the Group is approximately 108,675 sqm. Out of the GFA of approximately 108,675 sqm, a GFA of approximately 48,043 sqm is attributable to a commercial and residential complex which comprises car parks, residential buildings, shopping malls and office premises, and a GFA of approximately 60,632 sqm is attributable to a commercial complex which comprises car parks, shopping malls and office premises. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 87,849 sqm.

Project Tian Ying – 100% interest

"Project Tian Ying" is located in Jiang Pu Street, Conghua, Guangzhou City, Guangdong Province, the PRC, and is next to Highway G105, which is only a 10-minute drive and a one-hour drive from Conghua central business district and Guangzhou City, respectively. The site area of the project is approximately 22,742 sqm and the total GFA available for sale is approximately 59,679 sqm. The project, which was to be developed into a stylish low-density residential complex with a commercial podium and certain public facilities, was completed in 2019. As at 30 June 2025, the aggregate GFA delivered under this project was approximately 52,843 sqm.

Meizhou Chaotang Project – 100% interest

"Meizhou Chaotang Project" is located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC. The site area and the GFA available for sale under Phase I of the project are approximately 46,793 sqm and approximately 34,202 sqm, respectively. Phase I of the project will be developed into a number of different types of villas in addition to a hotel. The Group has designated the hotel with a GFA of approximately 7,389 sqm as an investment property held for long-term investment purpose.

Central Park – 100% interest

"Central Park" is located at Lot H3–3, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 3,430 sqm, and a total GFA available for sale of approximately 28,909 sqm thereof has been developed into a 30-storey building, including service apartments, a street-level commercial podium and a 4-storey underground car park. As at 30 June 2025, the aggregate GFA available for sale of the service apartments delivered was approximately 25,693 sqm. The Group has designated GFA of approximately 50 sqm of this property as investment properties held for long-term investment purpose.

Zhukong International – 80% interest

"Zhukong International", which is located at Lot A2–1, Zhujiang New Town, Tianhe District, Guangzhou City, Guangdong Province, the PRC, at the junction of 廣州大道 (Guangzhou Avenue*) and 黃埔大道 (Huang Pu Da Dao*), is a 35-storey high-rise commercial complex, including a 6-storey commercial podium, a 29-storey Grade A office building and a 3-storey underground car park. The complex was completed in 2015 with a site area of approximately 10,449 sqm and a total GFA available for sale (including carpark areas) and leasing of approximately 109,824 sqm. As at 30 June 2025, the aggregate GFA of the office building and carparks sold was approximately 45,588 sqm. The Group has designated GFA of approximately 60,891 sqm of this property as investment properties held for long-term investment purpose.

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Land Bank

It is the Group's strategy to maintain a sufficient land bank and design accurate urban layout to support the Group's own development pipeline for at least the next three to five years. The Group has actively expanded its land reserves through various channels, including participation in government public auctions, urban redevelopment projects and acquisition of other property development projects. As at 30 June 2025, the Group had a land bank in the PRC, which consisted of total GFA available for sale, total GFA pre-sold pending delivery and total GFA available for lease, of approximately 730,848 sqm in aggregate. The Group will continue to explore new opportunities for investment and development in cities in the PRC in which the Group already has land investments, as well as other cities in the PRC with growth potential and the best investment value.

Project Management Services

The Group has been using its expertise in project management and urban renewal to provide project management services for property development projects and urban redevelopment projects in the PRC, particularly under the "Three Old" Redevelopment Works regime (「三舊」改造工作) initiated by the Guangzhou Municipal Government, being a regime for the redevelopment of rural land collectively owned by the village residents through a rural collective economic organisation (農村集體經濟聯合社). Projects under the "Three Old" Redevelopment Works regime are subject to specific PRC laws, regulations and policies which, among other things, (1) regulate the various models of property redevelopment for these projects (each a "**Redevelopment Model**"); and (2) restrict the transfer of ownership of the land use rights in the rural land for redevelopment under these projects.

Under this operating model, the Group has been providing project management services to each of its customers who have entered into cooperation agreements with various rural collective economic organisations for the redevelopment of rural land under the "Three Old" Redevelopment Works regime. Pursuant to each of these cooperation agreements, the relevant rural collective economic organisation has agreed to provide the rural land for redevelopment under the project ("**Project Land**"), and the relevant customer has obtained the contractual right and responsibility (including the funding responsibility) and management rights to carry out the redevelopment of the project. Pursuant to the "Three Old" Redevelopment Works regime, the Group's customer may, as the contract redeveloper, acquire the land use rights of the relevant Project Land either by way of contract or through a public listing-for-sale process depending on the Redevelopment Model adopted by the relevant rural collective economic organisation.

The Group is not a party to the cooperation agreements with the rural collective economic organisations. Instead, it has entered into project management agreements with each of its customers, pursuant to which the Group has obtained such management rights and undertaken the responsibility (including funding responsibility) to carry out the redevelopment of the project. In carrying out its business in the provision of such project management services for projects under the "Three Old" Redevelopment Works regime, the Group is responsible for preparing redevelopment and resettlement compensation plans, obtaining approvals from village residents with respect to such plans, assisting the rural collective economic organisations to manage land title issues, obtaining government approvals, certificates and permits to carry out the property development works (including development of resettlement properties), funding the operations and development of the project and other project management services. In return for the Group's project management services and contribution:

(a) if the subsidiary of the Group's customer ("**Project Company**") directly or indirectly acquires the land use rights in the Project Land and to the extent a transfer of the equity interest in the Project Company is permitted under the PRC laws, regulations and policies, the Group is entitled to (i) exercise its pre-emptive rights to acquire the equity interest in the Project Company or (ii) an income from the sale of the equity interest in the Project Land to a third party;

(b) to the extent that the equity interest in the Project Company (which directly or indirectly holds the land use rights in the Project Land) is not capable of being transferred due to regulatory reasons or government policies, the Group is entitled to an income from the sale of saleable properties developed under the project; and

(c) if the Project Company has not directly or indirectly acquired the land use rights in the Project Land, the Group is entitled to an amount equal to (i) the total amount of funds incurred and contributed by the Group under its contractual funding responsibility plus (ii) an income from a fixed rate of return at an agreed percentage of such funds, which represents the minimum consideration receivable by the Group as an assured return on investment for its provision of project management services.

The Group recorded project management services segment revenue of approximately HK$506,853,000 during the Period Under Review, compared with that of approximately HK$514,231,000 for the corresponding period in 2024. The Group will continue to utilise its expertise in project management and urban renewal to further develop its project management services business to broaden its source of income.

Property Investment and Hotel Operation

As at 30 June 2025, the Group owned (1) certain floors of Royal Mediterranean Hotel ("**RM Hotel**") located at 518 Tianhe Road, Tianhe District, Guangzhou City, Guangdong Province, the PRC, with GFA of approximately 18,184 sqm (31 December 2024: 18,184 sqm); (2) Zhukong International with GFA of approximately 60,891 sqm (31 December 2024: 60,891 sqm); (3) certain floors of a commercial complex in "Hua Cheng Yujing Garden" with GFA of approximately 15,918 sqm (31 December 2024: 15,918 sqm); (4) a hotel located at Chaotang Village, Chengdong Town, Meixian District, Meizhou City, Guangdong Province, the PRC, with GFA of approximately 7,389 sqm (31 December 2024: 7,389 sqm); and (5) certain commercial properties in the Guangdong Province, the PRC, with GFA of approximately 12,022 sqm (31 December 2024: 12,022 sqm) as investment properties. During the Period Under Review, RM Hotel, Zhukong International, the hotel located in Meizhou City and certain commercial properties were partially leased out with total rental income of approximately HK$36,142,000 generated, representing a decrease of approximately 50% as compared with that of approximately HK$72,706,000 for the corresponding period in 2024. The existing investment properties held by the Group are intended to be held for medium-term to long-term investment purposes. The Group will continue to seek high quality properties with potential appreciation in value for investment purposes and build up a portfolio that will generate steady cash flows to the Group in the future.

As at 30 June 2025, the Group operated two hotels, namely, (1) 廣州雲嶺湖酒店 (Guangzhou Vlamhoo Hotel*) ("**Vlamhoo Hotel**") located at Conghua, Guangzhou City, Guangdong Province, the PRC, which was constructed by the Group, with its operations commenced in December 2021; and (2) 廣東鹿湖溫泉假日酒店 (Guangdong Luhu Hot Spring Holiday Hotel*) ("**Luhu Hotel**") located at Fengshun County, Meizhou City, Guangdong Province, the PRC, which has been operated by the Group since December 2021. During the Period Under Review, the operation of these hotels generated a total income of approximately HK$28,461,000 (six months ended 30 June 2024: HK$35,693,000) for the Group.

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OUTLOOK

The global economic outlook in the near term remains fraught with multiple challenges and uncertainties due to persistent inflation, subdued consumer spending and rising geopolitical tensions. In light of such global economic uncertainties, it is expected that China's real estate industry will continue to face significant challenges during the second half 2025, despite the proactive measures launched by the Chinese central government to support the real estate industry.

Under the current market conditions, the Group's property inventory for sale will remain focused primarily on ready-to-deliver projects in the Guangzhou region, and the Group will continue to intensify its sales efforts in this area moving forward. The Guangzhou region will remain the Group's key sales focus for the second half of 2025. Regarding land acquisition, the Group will continue to accelerate collaborations with its strategic partners to support its strategy for future development needs.

The Group will maintain its focus on executing its pre-defined strategies and enhance its efforts to advance its strategy of "optimising structure, strengthening capabilities, and enhancing quality" to overcome the severe challenges posed by the current market adjustments in China's real estate sector.

FINANCIAL REVIEW

Revenue

During the Period Under Review, the Group's revenue by operating segment included revenue from property development, project management services, and property investment and hotel operation. The total revenue of the Group for the Period Under Review was approximately HK$1,466,423,000 (six months ended 30 June 2024: HK$723,666,000), which represented an increase of approximately 103% as compared with that for the corresponding period in 2024.

Revenue from property development for the Period Under Review amounted to approximately HK$894,967,000 (six months ended 30 June 2024: HK$101,036,000). The increase was mainly due to the increase in the number of properties delivered during the Period Under Review as compared with that during the corresponding period in 2024.

The income from the project management services segment contributed approximately HK$506,853,000 (six months ended 30 June 2024: HK$514,231,000) to the total revenue of the Group for the Period Under Review.

During the Period Under Review, the Group recorded an aggregate income of approximately HK$64,603,000 (six months ended 30 June 2024: HK$108,399,000) from the property investment and hotel operation segment. The rental income generated by the Group from its investment properties decreased from approximately HK$72,706,000 for the six months ended 30 June 2024 to approximately HK$36,142,000 for the Period Under Review, mainly due to the decrease in the average effective rent per sqm of the investment properties leased out by the Group during the Period Under Review. During the Period Under Review, the Group generated a total income of approximately HK$28,461,000 (six months ended 30 June 2024: HK$35,693,000) from its operation of two hotels in the Guangdong Province, the PRC, namely, the Vlamhoo Hotel, which was constructed by the Group, with its operations commenced in December 2021, and the Luhu Hotel, which has been operated by the Group since December 2021. The decrease was mainly due to the decrease in occupancy rate during the Period Under Review as compared with that during the corresponding period in 2024.

Gross profit

Gross profit of the Group increased from approximately HK$544,864,000 for the six months ended 30 June 2024 to approximately HK$1,010,124,000 for the Period Under Review, mainly due to the increase in the Group's revenue from property development during the Period Under Review.

Fair value loss on investment properties, net

For the Period Under Review, the Group recorded a fair value loss on investment properties, net, of approximately HK$181,217,000 as compared with that of approximately HK$119,684,000 for the corresponding period in 2024. The fair value loss on investment properties, net, for the Period Under Review was mainly due to the decrease in the fair value of Zhukong International, RM Hotel and certain commercial properties held by the Group in the Guangdong Province, the PRC, as at 30 June 2025.

Impairment loss on financial assets, net

For the Period Under Review, the Group recorded impairment loss on financial assets, net of approximately HK$115,248,000, as compared with that of approximately HK$11,166,000 for the corresponding period in 2024, which was caused by the further impairment loss on trade and other receivables recorded by the Group, following its assessment of expected credit loss on such assets during the Period Under Review.

Other income and gains, net

Other income and gains, net, of the Group decreased to approximately HK$3,590,000 for the Period Under Review (six months ended 30 June 2024: HK$4,884,000). The decrease was mainly due to the decrease in the interest income and management service income recorded by the Group for the Period Under Review, as compared with those recorded for the corresponding period in 2024.

Administrative expenses and selling and marketing expenses

Administrative expenses and selling and marketing expenses of the Group decreased from approximately HK$133,323,000 for the six months ended 30 June 2024 to approximately HK$74,895,000 for the Period Under Review. The decrease was mainly due to the decrease in the administrative expenses primarily caused by the decrease in the staff cost incurred for the Period Under Review, as compared with that for the corresponding period in 2024.

Other expenses, net

Other expenses, net, of the Group decreased substantially from approximately HK$507,569,000 for the six months ended 30 June 2024 to approximately HK$31,298,000 for the Period Under Review. Other expenses, net, for the Period Under Review mainly comprised foreign exchange loss of approximately HK$30,339,000 (six months ended 30 June 2024: HK$17,074,000). The decrease in other expenses, net, was mainly due to the provision for interest and related expenses on certain borrowing of the Group of approximately HK$361,576,000 and the impairment of the Group's properties under development and completed properties held for sale of approximately HK$65,000,000 recorded by the Group in the six months ended 30 June 2024, which were absent in the Period Under Review.

Share of loss of an associate

Share of loss of an associate of the Group was approximately HK$87,857,000 during the Period Under Review (six months ended 30 June 2024: HK$90,559,000), which represented the Group's share of the loss from its associate, Silver Grant International Holdings Group Limited (銀建國際控股集團有限公司) ("**Silver Grant**"), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") with stock code: 0171. Silver Grant and its subsidiaries are principally engaged in property leasing, investments, and new energy investment and operation. The Group held approximately 29.50% interest of the issued share capital of Silver Grant as at 30 June 2025.

Finance costs, net

Finance costs, net, of the Group for the Period Under Review were approximately HK$583,271,000 (six months ended 30 June 2024: HK$552,572,000), which were made up of interest expenses incurred by the Group during the Period Under Review after deduction of the interest expenses capitalised into development costs. The increase in finance costs, net, was mainly due to the decrease in the interest capitalisation rate and the increase in the interest expenses charged on the Group's other borrowings during the Period Under Review, as compared with those for the corresponding period in 2024.

Income tax expense/credit

Income tax expense of the Group comprised corporate income tax ("**CIT**") and land appreciation tax ("**LAT**") in the PRC and deferred tax. CIT of approximately HK$34,598,000 (six months ended 30 June 2024: HK$54,541,000), LAT of approximately HK$156,587,000 (six months ended 30 June 2024: HK$2,741,000) and deferred tax credit of approximately HK$5,267,000 (six months ended 30 June 2024: HK$63,167,000) accounted for the Group's total income tax expense of approximately HK$185,918,000 for the Period Under Review (six months ended 30 June 2024: total income tax credit of HK$5,885,000). The change from total income tax credit to total income tax expense for the Period Under Review was mainly due to the increase in the tax provision as a result of the increase in the revenue from property development recorded by the Group during the Period Under Review, as compared with that in the corresponding period in 2024.

Loss for the period

The Group's loss for the Period Under Review was approximately HK$245,990,000 (six months ended 30 June 2024: HK$859,224,000). Such change was mainly attributable to (1) the increase in the Group's revenue from property development from approximately HK$101,036,000 during the six months ended 30 June 2024 to approximately HK$894,967,000 during the Period Under Review, due to the increase in the number of properties delivered during the Period Under Review; and (2) the substantial decrease in other expenses, net, recorded by the Group from approximately HK$507,569,000 for the six months ended 30 June 2024 to approximately HK$31,298,000 for the Period Under Review, which was mainly caused by the provision for interest and related expenses on certain borrowing of the Group and the impairment of the Group's properties under development and completed properties held for sale recorded by the Group during the six months ended 30 June 2024, which were absent in the Period Under Review, which were partially offset by (a) the increase in the fair value loss on investment properties, net, recorded by the Group from approximately HK$119,684,000 for the six months ended 30 June 2024 to approximately HK$181,217,000 during the Period Under Review, which was mainly caused by the decrease in the fair value of the Group's investment properties as at 30 June 2025 from that as at 31 December 2024; (b) the increase in the impairment loss on financial assets, net, recorded by the Group from approximately HK$11,166,000 for the six months ended 30 June 2024 to approximately HK$115,248,000 for the Period Under Review, which was mainly caused by the further impairment loss on trade and other receivables recorded by the Group, following its assessment of expected credit loss on such assets during the Period Under Review; and (c) the change in provision for income tax by the Group from an income tax credit of approximately HK$5,885,000 for the six months ended 30 June 2024 to an income tax expense of approximately HK$185,918,000 during the Period Under Review, which was mainly due to the increase in the tax provision as a result of the increase in revenue from property development recorded by the Group during the Period Under Review, as compared with that in the corresponding period in 2024.

Treasury and funding policies

The Group has adopted a prudent approach with respect to its treasury and funding policies. The Group's financial and fundraising activities are subject to effective centralised management and supervision, with an emphasis on risk management and transactions that are directly related to the business of the Group. There is in general no material seasonality in relation to the borrowing requirements of the Group.

Cash position

As at 30 June 2025, the Group's cash and bank balances (including restricted cash and term deposits with initial terms over three months) amounted to approximately HK$15,712,000 (31 December 2024: HK$17,003,000). The cash and bank balances of the Group were mainly denominated in RMB, United States dollar ("**US$**") and HK$.

Borrowings, charges on group assets and gearing ratio

The Group's bank and other borrowings comprised the following:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Bank loans – secured	**7,960,947**	7,759,271
Other borrowings:		
Senior notes – secured	**1,732,989**	1,603,888
Other borrowings – secured	**4,782,736**	4,575,381
Lease liabilities	**2,740**	5,876
	14,479,412	13,944,416

(a) As at 30 June 2025, the Group's bank and other borrowings amounted to approximately HK$14,479,412,000, of which approximately 98.1%, 0.6%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years (31 December 2024: HK$13,944,416,000, of which approximately 98.5%, 0.2%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years). As at 30 June 2025, such borrowings of the Group were made up of financing from (i) bank loans; (ii) senior notes; (iii) other borrowings, including trust loans and term loan facilities; and (iv) lease liabilities. Out of these borrowings, approximately HK$2,740,000 (31 December 2024: HK$5,876,000), approximately HK$12,743,683,000 (31 December 2024: HK$12,334,652,000) and approximately HK$1,732,989,000 (31 December 2024: HK$1,603,888,000) were denominated in HK$, RMB and US$, respectively. The senior notes and other borrowings carried fixed interest rates ranging from 6.52% per annum to 14.26% per annum (31 December 2024: 6.52% per annum to 14.26% per annum). Approximately 9.49% (31 December 2024: 9.59%) of the bank loans carried fixed interest rates ranging from 5.95% per annum to 8.20% per annum (31 December 2024: 5.95% per annum to 8.85% per annum) while the remaining bank loans of approximately 90.51% (31 December 2024: 90.41%) carried floating interest rates.

(b) The gearing ratio of the Group, being the Group's financial key performance indicator, is measured by the net debt (total interest-bearing borrowings net of cash and bank balances) over the total capital (total equity plus net debt) of the Group. As at 30 June 2025, the gearing ratio of the Group was 82% (31 December 2024: 81%).

(c) As at 30 June 2025, the Group had outstanding secured bank loans of approximately HK$7,961 million, which were secured by the following: (i) the Group's investment properties; (ii) the Group's property and equipment; (iii) the Group's properties under development and completed properties held for sale; (iv) the entire equity interest of the Company's subsidiaries, namely, 廣州珠光城市更新集團有限公司 (Guangzhou Zhuguang Urban Renewal Group Company Limited*), 廣州舜吉實業有限公司 (Guangzhou Shunji Industry Company Limited*), 廣東海聯大廈有限公司 (Guangdong Hailian Building Company Limited*) and 廣州發展汽車城有限公司 (Guangzhou Development Automobile City Co., Ltd.*); (v) the corporate guarantees executed by the Company and 廣東珠光集團有限公司 (Guangdong Zhuguang Group Company Limited*) ("**Guangdong Zhuguang Group**"); and (vi) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung and Mr. Liao Tengjia.

* *English name is translated for identification purpose only*

(d) As at 30 June 2025, the Group had outstanding senior notes in the aggregate principal amount of US$207.9 million (equivalent to approximately HK$1,632 million), which were secured and guaranteed by (i) 3,000,000,000 shares of the Company (“**Shares**”) owned by Rong De; (ii) the 100% equity interest of the Company’s subsidiaries, namely, Ai De Investments Limited (靄德投資有限公司) (“**Ai De**”), All Flourish Investments Limited (通興投資有限公司) (“**All Flourish**”), Capital Fame Investments Limited (嘉鋒投資有限公司) (“**Capital Fame**”), Cheng Chang Holdings Limited (誠昌控股有限公司) (“**Cheng Chang**”), China Honest International Investments Limited (創豪國際投資有限公司) (“**China Honest**”), Diamond Crown Limited (毅冠有限公司) (“**Diamond Crown**”), East Orient Investment Limited (達東投資有限公司) (“**East Orient**”), Ever Crown Corporation Limited (冠恒興業有限公司) (“**Ever Crown**”), Fully Wise Investment Limited (惠豐投資有限公司) (“**Fully Wise**”), Gains Wide Holdings Limited (利博控股有限公司) (“**Gains Wide**”), Gold Charter Investments Limited (高澤投資有限公司) (“**Gold Charter**”), Graceful Link Limited (愉興有限公司) (“**Graceful Link**”), Pacific Win Investments Limited (保鋒投資有限公司) (“**Pacific Win**”), Polyhero International Limited (寶豪國際有限公司) (“**Polyhero International**”), Profaith International Holdings Limited (盈信國際控股有限公司) (“**Profaith International**”), Sharp Wisdom Holdings Limited (銳智控股有限公司) (“**Sharp Wisdom**”), South Trend Holdings Limited (南興控股有限公司) (“**South Trend**”), Speedy Full Limited (速溢有限公司) (“**Speedy Full**”), Talent Wide Holdings Limited (智博控股有限公司) (“**Talent Wide**”), Top Asset Development Limited (通利發展有限公司) (“**Top Asset**”), Top Perfect Development Limited (泰恒發展有限公司) (“**Top Perfect**”), World Sharp Investments Limited (華聲投資有限公司) (“**World Sharp**”) and Zhuguang Group Limited (珠光集團有限公司) (“**ZG Group**”); (iii) the corporate guarantees executed by Rong De, ZG Group, South Trend, Ai De, All Flourish, Capital Fame, Cheng Chang, China Honest, Diamond Crown, East Orient, Ever Crown, Fully Wise, Gains Wide, Gold Charter, Graceful Link, Pacific Win, Polyhero International, Profaith International, Talent Wide, Top Asset, Top Perfect, World Sharp, Sharp Wisdom and Speedy Full; and (iv) the personal guarantees executed by the executive Directors, namely, Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi.

(e) As at 30 June 2025, the Group had outstanding secured other borrowings of approximately HK$4,783 million, which were secured and guaranteed by (i) the Group's properties under development and completed properties held for sale; (ii) the Group's property and equipment; (iii) the Group's investment properties; (iv) the security provided by Guangdong Zhuguang Group; (v) the entire equity interest of the Company's subsidiaries, namely, 廣州市潤啟房地產有限公司 (Guangzhou City Runqi Property Company Limited*),廣州東港合眾房地產有限公司 (Guangzhou Dong Gang He Zhong Property Company Limited*), 廣州珠光實業集團有限公司 (Guangzhou Zhuguang Industrial Group Company Limited*), 香河縣逸景房地產開發有限公司 (Xianghe County Yijing Property Development Company Limited*) and 廣州振超房地產開發有限公司 (Guangzhou Zhenchao Property Development Company Limited); (vi) the entire equity interest of a subsidiary of Guangdong Zhuguang Group; (vii) the corporate guarantees executed by the Company and Guangdong Zhuguang Group; and (viii) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung, Mr. Liao Tengjia and Mr. Chu Muk Chi.

FINANCIAL GUARANTEE CONTRACTS

The Group had the following financial guarantees:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**1,269,103**	1,249,798

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (a) the issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (b) the satisfaction of mortgage loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Except for the financial guarantee contracts as disclosed above, the Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

* *English name is translated for identification purpose only*

FOREIGN EXCHANGE RATE

During the Period Under Review, the Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK$ and US$. The conversion of RMB into HK$, US$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against the HK$, US$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. During the Period Under Review, the Group did not adopt any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

EMPLOYEES AND REMUNERATION POLICIES

The Group had in aggregate 599 employees in Hong Kong and the PRC as at 30 June 2025 (31 December 2024: 642). During the Period Under Review, the level of the Group's overall staff cost was approximately HK$48,252,000 (six months ended 30 June 2024: HK$71,185,000). The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. Other staff benefits include annual bonus and retirement benefits. The Directors' remuneration is determined based on their qualifications, experience, duties and responsibilities, the Company's remuneration policy and the prevailing market conditions.

The Group encourages sustainable training of its employees through coaching and further studies. In-house training was provided to eligible employees during the Period Under Review, including training on updates of accounting standards and training on market updates.

During the Period Under Review, the Group did not experience any significant problem with its employees. The Group has maintained a good relationship with its employees. Most members of the senior management have been working for the Group for many years.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*5*	**1,466,423**	723,666
Cost of sales		**(456,299)**	(178,802)
Gross profit		**1,010,124**	544,864
Other income and gains	*5*	**3,590**	4,884
Selling and marketing expenses		**(12,216)**	(12,701)
Administrative expenses		**(62,679)**	(120,622)
Fair value loss on investment properties, net		**(181,217)**	(119,684)
Impairment loss on financial assets, net		**(115,248)**	(11,166)
Other expenses, net		**(31,298)**	(507,569)
Finance costs, net	*6*	**(583,271)**	(552,572)
Share of loss of an associate		**(87,857)**	(90,559)
Share of profit of joint ventures		**–**	16
LOSS BEFORE TAX	*7*	**(60,072)**	(865,109)
Income tax (expense)/credit	*8*	**(185,918)**	5,885
LOSS FOR THE PERIOD		**(245,990)**	(859,224)
Attributable to:			
Owners of the parent		**(213,377)**	(833,805)
Non-controlling interests		**(32,613)**	(25,419)
		(245,990)	(859,224)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (HK cents per share)	*10*	**(2.80)**	(12.01)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(245,990)**	(859,224)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**56,788**	(19,388)
Share of other comprehensive loss of an associate	**(624)**	(5,989)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**56,164**	(25,377)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**56,164**	(25,377)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(189,826)**	(884,601)
Attributable to:		
Owners of the parent	**(156,418)**	(859,201)
Non-controlling interests	**(33,408)**	(25,400)
	(189,826)	(884,601)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2025 (Unaudited)** *HK$'000*	31 December 2024 *(Note)* *HK$'000*
NON-CURRENT ASSETS			
Property and equipment		**202,674**	214,953
Investment properties		**2,690,342**	2,829,529
Intangible assets		**3,962**	4,476
Investments in joint ventures		**10,874**	10,708
Investments in an associate		**400,681**	487,913
Trade receivables	*11*	**13,380,781**	12,590,151
Total non-current assets		**16,689,314**	16,137,730
CURRENT ASSETS			
Properties under development		**7,756,059**	8,037,624
Completed properties held for sale		**4,774,450**	4,688,340
Trade receivables	*11*	**1,065,632**	1,142,966
Prepayments, other receivables and other assets		**2,677,220**	2,538,181
Prepaid income tax		**191,570**	193,520
Financial assets at fair value through profit or loss		**26,175**	25,776
Cash and bank balances		**15,712**	17,003
Total current assets		**16,506,818**	16,643,410
CURRENT LIABILITIES			
Contract liabilities		**3,096,219**	3,734,485
Trade and other payables	*12*	**6,708,115**	6,383,891
Interest-bearing bank and other borrowings		**14,210,376**	13,745,845
Income tax payables		**3,855,253**	3,591,018
Total current liabilities		**27,869,963**	27,455,239
NET CURRENT LIABILITIES		**(11,363,145)**	(10,811,829)
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,326,169**	5,325,901

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

	Note	30 June 2025 (Unaudited) HK$'000	31 December 2024 (Note) HK$'000
NON-CURRENT LIABILITIES			
Other payables	12	**143,754**	143,754
Interest-bearing bank and other borrowings		**269,036**	198,571
Deferred tax liabilities		**1,843,735**	1,724,106
Total non-current liabilities		**2,256,525**	2,066,431
Net assets		**3,069,644**	3,259,470
EQUITY			
Equity attributable to owners of the parent			
Share capital		**885,064**	885,064
Reserves		**951,671**	1,142,089
		1,836,735	2,027,153
Perpetual capital securities		**1,289,753**	1,255,753
		3,126,488	3,282,906
Non-controlling interests		**(56,844)**	(23,436)
Total equity		**3,069,644**	3,259,470

Note:

The Company's auditor did not express an opinion on the Group's consolidated financial statements for the year ended 31 December 2024 due to multiple uncertainties relating to going concern. Even had there been no multiple uncertainties relating to going concern which precluded the Company's auditor from expressing an opinion on the consolidated financial statements, the opinion of the Company's auditor would have been qualified due to scope limitations in respect of the Group's investment in an associate with a carrying amount of approximately HK$488 million as at 31 December 2024. Further details are set out in the auditor's report included in the Company's annual report for the year ended 31 December 2024.

Notes:

1. CORPORATE AND GROUP INFORMATION

Zhuguang Holdings Group Company Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 December 1996.

During the period, the Company's principal activity was investment holding and the Company and its subsidiaries (collectively the "**Group**") were principally engaged in property development, property management, property investment, hotel operation and other property development related services in the mainland of the People's Republic of China (the "**PRC**" or the "**Mainland China**").

In the opinion of the Company's directors (the "**Directors**"), the holding company and the ultimate holding company of the Company is Rong De Investment Limited ("**Rong De**"), which is incorporated in the British Virgin Islands ("**BVI**").

2. BASIS OF PRESENTATION

For the six months ended 30 June 2025, the Group recorded a net loss of approximately HK$246 million and, as at 30 June 2025, the Group had net current liabilities of approximately HK$11,363 million. In addition, as at 30 June 2025, the Group's outstanding interest-bearing bank and other borrowings amounted to approximately HK$14,479 million while the Group only had cash and bank balances amounted to approximately HK$16 million. Among the bank and other borrowings as at 30 June 2025 of which due to be repaid within 12 months from the end of the reporting period amounted to approximately HK$14,210 million, including borrowings of approximately HK$14,116 million which have not been repaid according to the scheduled repayment dates before the end of the reporting period. The Group has been in active discussions with the relevant financial institutions for extension of the repayment dates of such borrowings.

In view of these circumstances, the Directors have given careful consideration to the future working capital and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern for at least 12 months from 30 June 2025. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows.

(a) the Group has been proactively communicating with the relevant lenders on the Group's business plan, operations and financial position such that they will not demand for immediate repayment of the Group's borrowings;

(b) the Group will continue to take measures to monitor the collection of the receivables of urban redevelopment projects in accordance with the agreed schedules;

(c) the Group is actively discussing with the lenders of certain bank and other borrowings on the re-financing of the existing borrowings and to obtain additional credit facilities from existing and other lenders as are when needed;

(d) the Group will continue its efforts to promote the pre-sales and sales of its properties under development and completed properties held for sale which are highly sensitive to the local real estate market sentiment and buyer confidence in the area where the Group's principal property projects are situated;

2. **BASIS OF PRESENTATION** (*Continued*)

(e) the Group will continue to take active measures to collect outstanding sales proceeds and other receivables and control its administrative costs and manage its capital expenditure; and

(f) Rong De has agreed not to demand for repayment of any amounts due to Rong De until the Group is in the position to repay without impairing its financial position.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the end of the reporting period, prepared by the management. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within 12 months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the interim financial information on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(a) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings;

(b) the successful and timely agreement with the lenders on the extension of the repayment dates for existing borrowings subject to the Group's financial and liquidity position, and to obtain additional credit facilities from existing and other lenders as and when needed;

(c) the successful and timely collection of receivables of urban redevelopment projects in accordance with the agreed schedules; and

(d) the ability of the Group in achieving its plans for the pre-sales and sales of properties under development and completed properties held for sale, which are also highly sensitive to the sentiment in the local real estate market and buyer confidence in the areas where the Group's principal property projects are situated.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in this interim financial information.

3. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2024 annual financial statements, except for the following new amendments which apply for the first time in 2025. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new amendment is effective for the period beginning 1 January 2025:

– Lack of Exchangeability (Amendments to HKAS 21)

Lack of Exchangeability (Amendments to HKAS 21)

On 25 September 2023, the HKICPA issued Lack of Exchangeability, which amended HKAS 21 The Effects of Changes in Foreign Exchange Rates (the "**Amendments**").

These Amendments are applicable for annual reporting periods beginning on or after 1 January 2025. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Amendments also introduce additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

HKAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

When applying the Amendments, an entity is not permitted to restate comparative information.

These Amendments have had no material effect on the interim condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

(a) the property development segment engages in the development and sale of properties;

(b) the project management services segment engages in the provision of project management services to property development projects and urban redevelopment projects; and

(c) the property investment and hotel operation segment invests in properties for their rental income potential and/or for capital appreciation and engages in hotel operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that share of profit/loss of an associate, share of profit/loss of joint ventures, finance costs, net (other than interest on lease liabilities) and income tax expenses as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures and an associate, deferred tax assets, unlisted investments classified as financial assets at fair value through profit or loss and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings (other than lease liabilities), current income tax payables, deferred tax liabilities and amounts due to the ultimate holding company as these liabilities are managed on a group basis.

For the six months ended 30 June 2025

(Unaudited)	**Property development** *HK$'000*	**Project management services** *HK$'000*	**Property investment and hotel operation** *HK$'000*	**Total** *HK$'000*
Segment revenue: *(note 5)*				
Sales to external customers	**894,967**	**506,853**	**64,603**	**1,466,423**
Segment results	**198,388**	**391,605**	**25,447**	**615,440**
Reconciliation:				
Share of loss of an associate				**(87,857)**
Finance costs, net (other than interest on lease liabilities)				**(583,031)**
Corporate and other unallocated expenses				**(4,624)**
Loss before tax				**(60,072)**
Income tax expense				**(185,918)**
Loss for the period				**(245,990)**

4. OPERATING SEGMENT INFORMATION (*Continued*)

For the six months ended 30 June 2024

(Unaudited)	Property development *HK$'000*	Project management services *HK$'000*	Property investment and hotel operation *HK$'000*	Total *HK$'000*
Segment revenue: *(note 5)*				
Sales to external customers	101,036	514,231	108,399	723,666
Segment results	(756,536)	503,065	39,659	(213,812)
Reconciliation:				
Share of loss of an associate				(90,559)
Share of profit of joint ventures				16
Finance costs, net (other than interest on lease liabilities)				(552,021)
Corporate and other unallocated expenses				(8,733)
Loss before tax				(865,109)
Income tax credit				5,885
Loss for the period				(859,224)

4. OPERATING SEGMENT INFORMATION (*Continued*)

30 June 2025

(Unaudited)	**Property development** *HK$'000*	**Project management services** *HK$'000*	**Property investment and hotel operation** *HK$'000*	**Total** *HK$'000*
Segment assets	**14,383,924**	**15,308,731**	**2,824,467**	**32,517,122**
Reconciliation:				
Corporate and other unallocated assets				**679,010**
Total assets				**33,196,132**
Segment liabilities	**9,538,862**	**2,740**	**265,471**	**9,807,073**
Reconciliation:				
Corporate and other unallocated liabilities				**20,319,415**
Total liabilities				**30,126,488**

31 December 2024

(Audited)	Property development *HK$'000*	Project management services *HK$'000*	Property investment and hotel operation *HK$'000*	Total *HK$'000*
Segment assets	14,466,113	14,728,014	3,045,613	32,239,740
Reconciliation:				
Corporate and other unallocated assets				541,400
Total assets				32,781,140
Segment liabilities	9,839,496	5,876	253,291	10,098,663
Reconciliation:				
Corporate and other unallocated liabilities				19,423,007
Total liabilities				29,521,670

4. **OPERATING SEGMENT INFORMATION (*Continued*)**

Geographical information

Geographical information is not presented since over 90% of the Group's revenue from external customers is generated in Chinese Mainland and over 90% of the segment assets of the Group are located in Chinese Mainland. Accordingly, in the opinion of the Directors, the presentation of geographical information would provide no additional useful information to the users of this interim financial information.

Information about major customers

For the six months ended 30 June 2025, revenue of approximately HK$506,853,000 (six months ended 30 June 2024: HK$514,231,000) was derived from a single customer, including revenue derived from a group of entities which are known to be subsidiaries of that customer, and was attributable to the project management services segment.

5. **REVENUE, OTHER INCOME AND GAINS**

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sale of properties	**894,967**	101,036
Hotel operation income	**28,461**	35,693
	923,428	136,729
Revenue from other sources		
Finance component of income from urban redevelopment projects	**506,853**	514,231
Rental income from investment property operating leases:		
– fixed lease payments	**36,142**	72,706
	542,995	586,937
	1,466,423	723,666

5. REVENUE, OTHER INCOME AND GAINS (*Continued*)

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**10**	162
Management service income	**3,515**	4,638
Others	**65**	84
	3,590	4,884

6. FINANCE COSTS, NET

An analysis of finance costs, net is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings and senior notes	**608,064**	581,716
Interest expense arising from revenue contracts	**71,387**	84,027
Interest on lease liabilities	**240**	551
Total interest expense	**679,691**	666,294
Less: interest capitalised	**(96,420)**	(113,722)
	583,271	552,572

7. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of properties sold	**431,505**	153,522
Cost of service provided	**21,076**	25,280
Depreciation of property and equipment	**9,630**	8,330
Depreciation of right-of-use assets	**3,535**	3,859
Amortisation of intangible assets	**578**	585
Foreign exchange differences, net	**30,339**	17,074
Lease payments not included in the measurement of lease liabilities	**1,042**	6,343
Employee benefit expense (including directors' remuneration)	**48,252**	71,185
Impairment loss of financial assets, net	**115,248**	11,166
Impairment of properties under development and completed properties held for sale	**–**	65,000
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**3,733**	9,796

8. 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 six months ended 30 June 2025 and 2024. Taxes on profits assessable in the Chinese Mainland have been calculated at the rates of tax prevailing in the cities in which the majority of the Group's subsidiaries operate.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current:		
PRC corporate income tax	**34,598**	54,541
PRC land appreciation tax	**156,587**	2,741
	191,185	57,282
Deferred	**(5,267)**	(63,167)
Total tax expense/(credit) for the period	**185,918**	(5,885)

9. DIVIDENDS

No interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: Nil) was proposed by the board of directors of the Company.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares of 8,850,633,000 (six months ended 30 June 2024: 7,225,633,000) in issue during the period.

No adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during the period.

The calculations of the basic and diluted loss per share are based on:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to equity holders of the parent *(HK$'000)*	**(213,377)**	(833,805)
Distribution related to perpetual capital securities *(HK$'000)*	**(34,000)**	(34,000)
Loss used in the basic and diluted loss per share calculations *(HK$'000)*	**(247,377)**	(867,805)
Weighted average number of ordinary shares in issue during the period *(thousand shares)*	**8,850,633**	7,225,633

11. TRADE RECEIVABLES

	Notes	**30 June 2025** *HK$'000*	31 December 2024 *HK$'000*
Receivables from sales of properties	*(a)*	**58,180**	1,323
Receivables from property investment and hotel operation		**289,615**	263,951
Less: Impairment allowance		**(87,992)**	(49,315)
Net receivables from property investment and hotel operation	*(a)*	**201,623**	214,636
Receivables for urban redevelopment projects			
Related parties		**16,454,206**	15,670,453
Third parties		**590,996**	582,006
	(b)	**17,045,202**	16,252,459
Less: Impairment allowance		**(2,858,592)**	(2,735,301)
Net receivables for urban redevelopment projects		**14,186,610**	13,517,158
Total		**14,446,413**	13,733,117
Portion classified as non-current assets		**(13,380,781)**	(12,590,151)
Current portion		**1,065,632**	1,142,966

(a) An ageing analysis of the trade receivables from the sales of properties, property investment and hotel operation as at the end of the reporting period, based on the revenue recognition date or invoice date and net of loss allowance, is as follows:

	30 June 2025 *HK$'000*	31 December 2024 *HK$'000*
Current to 180 days	**200,032**	158,503
181 to 365 days	**34,841**	45,304
Over 365 days	**24,930**	12,152
	259,803	215,959

11. TRADE RECEIVABLES (*Continued*)

(b) An ageing analysis of the trade receivables for urban redevelopment projects as at the end of the reporting period, based on the incurred date, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Within 1 year	**758,033**	1,188,413
Over 1 year but less than 2 years	**997,848**	1,316,397
Over 2 years but less than 3 years	**1,644,560**	1,652,874
Over 3 years	**13,644,761**	12,094,775
	17,045,202	16,252,459

12. TRADE AND OTHER PAYABLES

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Trade and bills payables	**3,089,482**	3,035,632
Amounts due to related parties	**170,220**	102,878
Amount due to a joint venture	**5,483**	5,399
Amount due to ultimate holding company	**143,754**	143,754
Other payables and accruals	**2,355,476**	2,206,404
Other tax payables	**1,077,599**	1,023,873
Financial guarantee contracts	**9,855**	9,705
	6,851,869	6,527,645
Portion classified as current liabilities	**(6,708,115)**	(6,383,891)
Non-current portion	**143,754**	143,754

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the due date, is as follows:

	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Within 1 year	**2,829,250**	2,779,178
Over 1 year	**260,232**	256,454
	3,089,482	3,035,632

OTHER INFORMATION

INTERIM DIVIDEND

No interim dividend in respect of the six months ended 30 June 2025 was proposed by the Board (six months ended 30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the Period Under Review.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") then in force during the Period Under Review, except for the deviation specified below.

Pursuant to code provision B.2.4(b) of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the date of the annual general meeting ("**AGM**") of the Company held on 23 June 2025, all the independent non-executive Directors, namely, Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke, had served more than nine years on the Board. However, the Company was unable to appoint a new independent non-executive Director to the Board at the AGM as it was still in the course of identifying a suitable candidate then. The Company will publish further announcement(s) when the relevant appointment is made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Code**") as contained in Appendix C3 to the Listing Rules. Specific enquiry has been made of all Directors, who confirmed that they complied with the required standards set out in the Code during the Period Under Review.

AUDIT COMMITTEE

The audit committee of the Board ("**Audit Committee**") comprises three independent non-executive Directors. The Audit Committee has reviewed with the management, the accounting principles and policies adopted by the Group and discussed with the management regarding auditing, internal controls and financial reporting matters, including the review of the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 and this announcement, which is of the opinion that they comply with the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim report for the six months ended 30 June 2025 of the Company containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.zhuguang.com.hk.

APPRECIATION

On behalf of the Board, the chairman of the Board would like to express the Board's gratitude and appreciation to the shareholders of the Company for their support and the employees for their contribution to the Group.

On behalf of the Board
Zhuguang Holdings Group Company Limited
Chu Hing Tsung
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman), Mr. Liu Jie (Chief Executive Officer), Mr. Liao Tengjia (Deputy Chairman), Mr. Huang Jiajue (Deputy Chairman), Mr. Chu Muk Chi (alias Mr. Zhu La Yi) and Ms. Ye Lixia; and (ii) three independent non-executive Directors, namely Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke.

This announcement is published on the website of the Company (www.zhuguang.com.hk) and the designated issuer website of the Stock Exchange (www.hkexnews.hk).