



NEW CITY DEVELOPMENT GROUP LIMITED

新城市建設發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0456)

2025

INTERIM REPORT



CONTENTS

	<i>Pages</i>
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8
MANAGEMENT DISCUSSION AND ANALYSIS	27
FINANCIAL REVIEW	30
OTHER INFORMATION	32

INTERIM RESULTS

The Board of Directors (the “Board”) of New City Development Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 (the “Period”) with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	5	28,312	56,461
Cost of goods sold and services provided		<u>(2,750)</u>	<u>(22,357)</u>
Gross profit		25,562	34,104
Other income	6	435	4,643
Other gains and losses, net	7	(7,546)	1,735
Administrative and other operating expenses		<u>(31,467)</u>	<u>(46,861)</u>
Loss from operations		(13,016)	(6,379)
Finance costs	8	<u>(2,254)</u>	<u>(5,361)</u>
Loss before tax		(15,270)	(11,740)
Income tax expenses	9	<u>–</u>	<u>–</u>
Loss for the Period	10	<u>(15,270)</u>	<u>(11,740)</u>
Attributable to:			
Owners of the Company		(5,409)	(10,727)
Non-controlling interests		<u>(9,861)</u>	<u>(1,013)</u>
		<u>(15,270)</u>	<u>(11,740)</u>
Loss per share			
Basic	12(a)	<u>(3.97) cents</u>	<u>(9.15) cents</u>
Diluted	12(b)	<u>(3.97) cents</u>	<u>(9.15) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the Period	(15,270)	(11,740)
Other comprehensive income for the Period, net of tax:		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>(37,803)</u>	<u>(49,835)</u>
Total comprehensive income for the Period	<u>(53,073)</u>	<u>(61,575)</u>
Attributable to:		
Owners of the Company	(45,726)	(45,199)
Non-controlling interests	<u>(7,347)</u>	<u>(16,376)</u>
	<u>(53,073)</u>	<u>(61,575)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	13	25,329	28,707
Investment properties	14	664,567	651,809
Deferred tax assets		43,178	43,178
		<u>733,074</u>	<u>723,694</u>
CURRENT ASSETS			
Financial assets at fair value through profit or loss ("FVTPL")	15	52,994	61,866
Properties under development and held for sale		458,564	448,483
Prepayments, deposits and other receivables	16	398,213	367,101
Due from related parties		194	194
Cash and bank balances		10,105	8,459
		<u>920,070</u>	<u>886,103</u>
CURRENT LIABILITIES			
Accruals and other payables		256,248	145,865
Deposits received		15,347	15,056
Borrowings	17	21,821	420,878
Lease liabilities		19	46
Due to a non-controlling shareholder		5,112	5,112
Due to related parties		18,187	59,779
Due to directors		21,714	20,238
		<u>338,448</u>	<u>666,974</u>

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
NET CURRENT ASSETS		581,622	219,129
TOTAL ASSETS LESS CURRENT LIABILITIES		1,314,696	942,823
NON-CURRENT LIABILITIES			
Accruals and other payables		270,481	264,708
Borrowings	17	662,462	253,173
Deferred tax liabilities		154,592	151,534
		1,087,535	669,415
NET ASSETS		227,161	273,408
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	30,274	23,449
Reserves		258,767	304,492
		289,041	327,941
Non-controlling interests		(61,880)	(54,533)
TOTAL EQUITY		227,161	273,408

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Translation reserve	Fair value reserve	Statutory reserve	Retained profits	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (audited)	23,449	600,011	4,755	(112,134)	(28,254)	18,604	(100,371)	406,060	371,726
Total comprehensive income for the Period	-	-	-	(34,472)	-	-	(10,727)	(45,199)	(61,575)
At 30 June 2024 (unaudited)	23,449	600,011	4,755	(146,606)	(28,254)	18,604	(111,098)	360,861	310,151
At 1 January 2025 (audited)	23,449	600,011	4,755	(125,506)	-	18,604	(193,372)	327,941	273,408
Issuance of new shares	6,825	-	-	-	-	-	-	6,825	6,825
Total comprehensive income for the Period	-	-	-	(5,906)	-	-	(39,819)	(45,725)	(53,072)
At 30 June 2025 (unaudited)	30,274	600,011	4,755	(131,412)	-	18,604	(233,191)	289,039	227,161

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	9,167	57,842
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,002)	(477)
Interest received	348	11
NET CASH USED IN INVESTING ACTIVITIES	(654)	(466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(2,700)	(2,710)
Principal elements of lease payment	(27)	(40)
Interest paid	–	(16,686)
NET CASH USED IN FINANCING ACTIVITIES	(2,727)	(19,436)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,786	37,939
CASH AND CASH EQUIVALENTS AT 1 JANUARY	8,459	9,541
Effect of foreign exchange rate changes	(4,140)	(37,962)
CASH AND CASH EQUIVALENTS AT 30 JUNE	10,105	9,518
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	10,105	9,518

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATION INFORMATION

New City Development Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands on 10 August 1998. The registered office of the Company is located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands and its principal place of business in Hong Kong is situated at Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Group are principally engaged in property development and investment in the People’s Republic of China (the “PRC”); and retail and consumer spending related businesses operation.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the “Condensed Consolidated Financial Statements”) have not been audited or reviewed by the Company’s auditor but reviewed by the Audit Committee and approved for issue by the Board on 31 August 2025.

2. BASIS OF PREPARATION

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. ADOPTION OF NEW AND REVISED HKFRS

Other than changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations), the accounting policies and methods of computation used in the Condensed Consolidated Financial Statements of the Group for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s Condensed Consolidated Financial Statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these Condensed Consolidated Financial Statements.

4. OPERATING SEGMENT INFORMATION

The Group is engaged in property development and investment in PRC and retail and consumer spending related businesses operation. Accordingly, there are two reportable segments of the Group.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those accounting policies of the Group to the consolidated financial statements. Segment profits or losses do not include unallocated other income, other gains and losses, administrative and other operating expenses, impairment losses on deposits and other receivables and finance costs. Segment assets do not include unallocated property, plant and equipment, right-of-use assets, deferred tax assets, financial assets at FVTPL, prepayments, deposits and other receivables, amounts due from related parties, and cash and bank balances. Segment liabilities do not include unallocated accruals and other payables, lease liabilities, amounts due to non-controlling shareholders, related parties and directors, and deferred tax liabilities.

Information about reportable segment profit or loss, assets and liabilities:

	Property development and investment <i>HK\$'000</i>	Retail and consumer spending related businesses operation and related <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2025			
Revenue from external customers (unaudited)	28,312	–	28,312
Segment profit (unaudited)	25,562	–	25,562
As at 30 June 2025			
Segment assets (unaudited)	1,148,460	11,515	1,159,975
Segment liabilities (unaudited)	889,656	8,033	897,689
Six months ended 30 June 2024			
Revenue from external customers (unaudited)	30,065	26,396	56,461
Segment profit (unaudited)	15,732	18,372	34,104
As at 31 December 2024			
Segment assets (audited)	1,444,790	34,771	1,479,561
Segment liabilities (audited)	<u>872,266</u>	<u>7,880</u>	<u>880,146</u>

Reconciliations of segment profit or loss:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Profit or loss		
Total profit of reportable segments	25,562	34,104
Other income	435	4,643
Other gains and losses, net	(7,546)	1,735
Administrative and other operating expenses	(31,467)	(46,861)
Finance costs	(2,254)	(5,361)
	<u> </u>	<u> </u>
Consolidated loss before tax	<u>(15,270)</u>	<u>(11,740)</u>

Reconciliations of segment assets or liabilities:

	30 June	31 December
	2025	2024
	(Unaudited) HK\$'000	(Audited) HK\$'000
Assets		
Total assets of reportable segments	1,159,975	1,479,561
Property, plant and equipment	–	93
Deferred tax assets	43,178	43,178
Financial assets at FVTPL	52,994	61,866
Prepayments, deposits and other receivables	386,698	16,446
Due from related parties	194	194
Cash and bank balances	<u>10,105</u>	<u>8,459</u>
	<u> </u>	<u> </u>
Consolidated total assets	<u>1,653,144</u>	<u>1,609,797</u>

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Liabilities		
Total liabilities of reportable segments	897,689	880,146
Accruals and other payables	334,405	219,534
Lease liabilities	19	46
Due to non-controlling shareholders	5,112	5,112
Due to related parties	18,187	59,779
Due to directors	15,980	20,238
Deferred tax liabilities	154,592	151,534
	<hr/>	<hr/>
Consolidated total liabilities	<u>1,425,984</u>	<u>1,336,389</u>

Geographical information

The Group's revenue from external customers were solely derived from the PRC.

Over 90% of the Group's non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets) are located in the PRC. Accordingly, no further geographical information of non-current assets was disclosed.

5. REVENUE

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Services transferred over time		
Rental income and related management service income	28,312	30,065
Products transferred at a point in time		
Sales from retail and consumer spending related businesses operation in Mainland China	—	26,396
	<u>28,312</u>	<u>56,461</u>

6. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	435	19
Others	—	4,624
	<u>435</u>	<u>4,643</u>

7. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value (loss)/gain on financial asset	(12,709)	3,235
Net foreign exchange gain/(loss)	<u>5,163</u>	<u>(1,500)</u>
	<u>(7,546)</u>	<u>1,735</u>

8. FINANCE COSTS

	Six months ended 30 June	
	2025 (Unaudited) <i>HK\$'000</i>	2024 (Unaudited) <i>HK\$'000</i>
Interest on bank borrowings	2,252	5,356
Interest on leases liabilities	<u>2</u>	<u>5</u>
	<u>2,254</u>	<u>5,361</u>

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax:		
PRC	—	—

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the six months ended 30 June 2025 and 2024.

Taxes on profits in respect of the Group's companies operating elsewhere have been calculated at the rates of tax prevailing in the respective tax countries/jurisdictions in which they operate based on existing legislation, interpretations and practices in respect thereof.

10. LOSS FOR THE PERIOD

The Group's loss for the Period has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	2,114	1,833
Depreciation of right-of-use assets	—	3,141

11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2024: Nil).

12. LOSS PER SHARE

(a) Basic loss per share

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss		
Loss attributable to owner of the Company used in the basic loss per share calculation	<u>(5,409)</u>	<u>(10,727)</u>
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares used in the basic loss per share calculation	<u>138,245,044</u>	<u>117,245,044</u>

(b) Diluted loss per share

No adjustment has been made to the basic loss per share for six months ended 30 June 2025 in respect of a dilution because there were no potentially dilutive events existed (2024: Nil).

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group had additions of property, plant and equipment of approximately HK\$16,250 (six-month period ended 30 June 2024: approximately HK\$476,898).

14. INVESTMENT PROPERTIES

	Properties at fair value <i>HK\$'000</i>	Properties at cost <i>HK\$'000</i>	Total <i>HK\$'000</i>
Completed project			
Carrying amount at 1 January 2025 (audited)	585,362	–	585,362
Exchange realignment	<u>11,457</u>	<u>–</u>	<u>11,457</u>
Carrying amount at 30 June 2025 (unaudited)	<u>596,819</u>	<u>–</u>	<u>596,819</u>
Incomplete project			
Carrying amount at 1 January 2025 (audited)	–	66,447	66,447
Exchange realignment	<u>–</u>	<u>1,301</u>	<u>1,301</u>
Carrying amount at 30 June 2025 (unaudited)	<u>–</u>	<u>67,748</u>	<u>67,748</u>
Aggregate carrying amount			
Investment properties in Guangzhou (note (a) and note (b))	596,819	–	596,819
Investment properties in Luoyang (note (c))	<u>–</u>	<u>67,748</u>	<u>67,748</u>
At 30 June 2025 (unaudited)	<u>596,819</u>	<u>67,748</u>	<u>664,567</u>
Investment properties in Guangzhou (note (a) and note (b))	585,362	–	585,362
Investment properties in Luoyang (note (c))	<u>–</u>	<u>66,447</u>	<u>66,447</u>
At 31 December 2024 (audited)	<u>585,362</u>	<u>66,447</u>	<u>651,809</u>

Notes:

- (a) Investment properties in Guangzhou (the “Guangzhou Properties 1”) are situated at Nos. 20-22 Chigang West Road, Haizhu District, Guangzhou City, Guangdong Province, the PRC and are held under medium term leases. The Guangzhou Properties 1 were leased to tenants under operating leases for earning rental income and management service income and were stated at fair value at the end of the reporting period.

As at 30 June 2025, the Guangzhou Properties 1 with carrying amount of approximately HK\$ 537,310,000 (31 December 2024: HK\$526,995,000) were pledged to secure bank borrowings, details of which are set out in note 17 to the Unaudited Condensed Consolidated Financial Statements.

The Guangzhou Properties 1 have been included within the scope of acquisition for the government rehabilitation project in New Central Axis Haizhu Section. The acquisition compensation plan is now under negotiation with the relevant authorities. Subsequent developments will be disclosed in a timely manner.

- (b) Investment properties in Guangzhou (the “Guangzhou Properties 2”) are situated at Nos. 186-256 Niuziaichengheng Road, Xintang Town, Zengcheng District, Guangzhou City, Guangdong Province, the PRC and are held under medium term leases. The Guangzhou Properties 2 were leased to tenants under operating leases for earning rental income and management service income and were stated at fair value at the end of the reporting period.

As at 30 June 2025, the Guangzhou Properties 2 with carrying amount of approximately HK\$59,509,000 (31 December 2024: HK\$58,367,000) were pledged to secure bank borrowings, details of which are set out in note 17 to the Unaudited Condensed Consolidated Financial Statements.

- (c) On 26 July 2017, the Group replied and explained that the delay of the construction of the Luoyang Properties was due to the changing of land policy by the Luoyang government. The Group expected to commence work at the end of 2017.

On 5 December 2017, the Group submitted a construction plan of the Luoyang Properties to 洛陽市城鄉規劃局 (“洛陽規劃局”). After reviewed by 洛陽規劃局, the Group was instructed to modify certain aspects of the construction plan. On 23 June 2018, the Group has been further instructed by 洛陽新區中央商務區規劃建設辦公室 to submit a revised construction plan to 洛陽市城鄉一體化示範區商務中心區辦公室 for approval and the document was submitted on 17 July 2018.

In September 2024, seizing the chance on the recent personnel adjustment of the governing team in Luoyang, our team submitted an application to the local government for changing the project land use to a mixed commercial and residential use.

As of 21 October 2024, the public notice period for the land use change was concluded, and the planning conditions were confirmed.

As at 30 June 2025, the Group continues to actively engage with the relevant government authorities, awaiting the official approval necessary to commence the project.

As at 30 June 2025, the Luoyang Properties with carrying amount of approximately HK\$67,748,000 (31 December 2024: HK\$66,447,000) were pledged to secure bank borrowings, details of which are set out in note 17 to the Unaudited Condensed Consolidated Financial Statements.

15. FINANCIAL ASSETS AT FVTPL

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Listed equity investment, at market value in Taiwan	<u>52,994</u>	<u>61,866</u>

The fair value of the equity investment as of 30 June 2025 was determined based on the quoted market bid price (level 1 fair value measurement) available on The Taiwan Stock Exchange.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Prepayments		
– Prepaid for the Luoyang Properties (note (a))	6,905	6,773
– Prepaid for the Zhuhai Properties (note (b))	315,161	309,111
– Others	28,197	31,158
Less: Impairment loss on prepayment	<u>(15,500)</u>	<u>(15,500)</u>
	<u>334,763</u>	<u>331,542</u>
Deposits held by		
– 新澳中世紀國際貿易(北京)有限公司 (note (c))	20,000	20,000
– Others	995	993
Other receivables		
– Others (note (d))	84,285	56,396
Less: Allowance for doubtful debts	<u>(41,830)</u>	<u>(41,830)</u>
	<u>63,450</u>	<u>35,559</u>
Current portion	<u>398,213</u>	<u>367,101</u>

Notes:

- (a) As at 30 June 2025, an aggregate amount of approximately RMB6,297,000 (equivalent to approximately HK\$6,905,000) (31 December 2024: RMB6,304,000 (equivalent to approximately HK\$6,773,000)) has been prepaid by the Group to the construction of Luoyang Properties.
- (b) As at 30 June 2025, an aggregate amount of approximately RMB287,399,000 (equivalent to approximately HK\$ 315,161,000) (31 December 2024: RMB287,411,000 (equivalent to approximately HK\$309,111,000)) has been prepaid by the Group to the construction of Zhuhai Properties.
- (c) Deposits of HK\$20,000,000 has been paid to 新澳中世紀國際貿易(北京)有限公司 as escrow monies for the due diligence exercise on the exploration of project investment opportunity in the near future.
- (d) Included in the other receivables, there were:

“Approximately HK\$20,000,000 has been paid for the project development for the “New Life Everyday, New City” theme concept. The amount would be refundable if the project does not proceed.”

“Approximately HK\$30,000,000 has been paid for the renovation of 暢流 project. The amount would be refundable if the project does not proceed.”

17. BORROWINGS

	Effective interest rate (%)	Maturity	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Bank loan 1 (note (a))	7.483%	2026	397,206	391,947
Bank loan 2 (note (b))	4.582%	2027	28,839	28,286
Bank loan 3 (note (c))	6.260%	2027	<u>258,238</u>	<u>253,818</u>
			<u>684,283</u>	<u>674,051</u>
Analysed into:				
Repayable:				
Within one year or on demand			21,821	420,878
In the second to fifth years, inclusive			662,462	123,037
Over five years			<u>—</u>	<u>130,136</u>
Total			684,283	674,051
Less: Non-current portion			<u>(662,462)</u>	<u>(253,173)</u>
Current portion			<u>21,821</u>	<u>420,878</u>

Notes:

- (a) On 9 October 2020, Zhuhai Teng Shun entered into a loan agreement with Bank of Guangzhou Co., Ltd. (“GZBANK”), pursuant to which, GZBANK agreed to grant a loan (the “GZBANK Loan”) in the amount of approximately RMB98,932,000 (equivalent to approximately HK\$109,023,000) and RMB80,000,000 (equivalent to HK\$88,160,000) on 12 November 2020 and 8 December 2020 respectively to Zhuhai Teng Shun for a term of 5 years, which is secured by legal charges over the Luoyang Properties, Zhuhai Properties and entire issued share capital of Zhuhai Teng Shun and Luoyang Wan Heng, corporate guarantee provided by Guangdong Changliu, Guangdong Changyang Investment Company Limited* (廣東暢揚投資股份有限公司) (“Guangdong Changyang”) and non-controlling shareholders, personal guarantee provided by Mr. Han and a legal representative of a subsidiary and a key management personnel of a related company. The GZBANK Loan bears interest rate from 7.033% to 7.153%, 3.65% of the benchmark annual lending and deposit rate of the People’s Bank of China, which is repayable on a monthly basis. The principal amount of the GZBANK Loan is repayable by instalments starting from 24th month from the first withdrawal date or the 6th month after the project obtains the first time presale certificate, which is earlier, and will mature on 12 November 2025. On 8 May 2025, the maturity date was extended to 20 November 2026.

On 20 February 2021, subject to the terms of the above mentioned loan agreement with GZBANK, GZBANK granted a further loan in the amount of RMB80,000,000 (equivalent to approximately HK\$88,160,000) to Zhuhai Teng Shun for a term of 49 months. The principal amount of the GZBANK Loan is repayable once on the maturity date and matured on 20 March 2025. On 8 May 2025, the maturity date was extended to 20 November 2026.

On 20 May 2021, subject to the terms of the above mentioned loan agreement with GZBANK, GZBANK granted a further loan in the amount of RMB160,000,000 (equivalent to approximately HK\$195,920,000) to Zhuhai Teng Shun for a term of 48 months. The principal amount of the GZBANK Loan is repayable once on the maturity date and matured on 19 May 2025. On 8 May 2025, the maturity date was extended to 20 November 2026.

* *English for identification purpose*

- (b) On 19 June 2021, Guangdong Changyang entered into a loan agreement with Guangzhou Rural Commercial Bank (“GZRCBANK”), pursuant to which, GZRCBANK agreed to grant a loan (the “GZRCBANK Loan”) in the amount of RMB36,000,000 (equivalent to HK\$39,672,000) (2022: HK\$40,748,400) to Guangdong Changyang for a term of 84 months, which is secured by legal charges over the Guangzhou Properties 2, legal charges over the 100% equity interests in 廣州優暢, a 80%-owned subsidiary of Guangdong Changyang, and guarantee provided by Guangdong Changliu, 廣州優暢, 廣州市聯璋物業管理有限公司 (“廣州聯璋”), a 80%-owned subsidiary of Guangdong Changyang, and personal guarantee provided by Mr. Han. The GZRCBANK Loan bears interest at 6.300%, 135% of the benchmark annual lending and deposit rate of the People’s Bank of China, which is repayable on a monthly basis. The principal amount of the GZRCBANK Loan is repayable by 84 instalments starting from 19 June 2021 and will mature on 18 June 2028. On 18 April 2025, Guangdong Changyang and GZRCBANK signed an agreement to advance the full repayment date to 20 December 2027.
- (c) On 21 June 2022, Guangdong Changliu entered into a loan agreement with Guangzhou Rural Commercial Bank (“GZRCBANK”), and GZRCBANK agreed to grant a loan (the “GZRCBANK Loan”) in the amount of RMB320,000,000 (equivalent to HK\$352,640,000) (2022: HK\$371,680,000) to Guangdong Changliu for a period of 12 years. The loan is secured by the property of Guangdong Changliu and personally guaranteed by Mr. Han. Interest on the loan is calculated at 155 basis points, based on the 5-year loan prime rate of the last business day prior to the signing of the contract by the last signatory, which is repayable on a quarterly basis. The principal amount of the GZRCBANK Loan is repayable in instalments starting from the first loan received and will mature on 20 June 2034. On 19 March 2025, Guangdong Changliu and GZRCBANK signed a supplementary agreement to advance the full repayment date to 20 May 2027.

18. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.20 each		
At 1 January 2024, 31 December 2024 and 1 January 2025 (audited)	<u>200,000,000</u>	<u>40,000</u>
At 30 June 2025 (unaudited)	<u>200,000,000</u>	<u>40,000</u>
Ordinary shares of HK\$0.20 each		
At 1 January 2024, 31 December 2024 and 1 January 2025 (audited)	117,245,044	23,449
Issuance of new shares (note)	<u>21,000,000</u>	<u>6,825</u>
At 30 June 2025 (unaudited)	<u>138,245,044</u>	<u>30,274</u>

Note:

On 17 January 2025, the Company entered into a subscription agreement with an independent third party to issue 21,000,000 new shares at HK\$0.325 per share, raising net proceeds of approximately HK\$6,825,000. The net proceeds of approximately HK\$6,625,000 are intended for general working capital purposes. The subscription was conditional upon the approval for listing and permission to deal in the subscription shares by the Listing Committee of the Stock Exchange. The condition was fulfilled, and the transaction was completed on 7 February 2025.

19. CONTINGENT LIABILITIES

The subsidiaries of the Group, Guangdong Changyang and Guangdong Changliu, were the defendants in two legal actions involved a claim on breach of contract in relation to the acquisition of the entire equity interest for Guangzhou Lianwei Property Limited and Guangzhou Youchang Business Management Limited.

The first case has been made by 廣州市增城區人民法院 (Zengcheng People's Court*) ("Zengcheng Court") that the Group has been adjudicated to pay the plaintiffs approximately RMB57 million (the "Judgment Sum").

The second case has been made by Guangzhou Court that the Group has been adjudicated to pay the plaintiffs the additional overdue amount of approximately RMB24 million on top of the Judgment Sum.

The Subsidiaries have sought PRC legal advice and considered that they have good merits in applying to the higher court in the PRC for a re-trial of the above matters. The Company shall update its shareholders and potential investors on material developments regarding the Appeals when appropriate in compliance with the Listing Rules.

* *English for identification purpose*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a revenue of approximately HK\$28,312,000 and recorded a loss after tax of approximately HK\$15,270,000 for the six months ended 30 June 2025.

CONTINUING CONNECTED TRANSACTIONS

On 13 May 2025, new tenancy agreements (the “New Tenancy Agreements”) were respectively entered into (i) between New Rank Services Limited (a wholly-owned subsidiary of the Company) as tenant and Winrich Investments Limited as landlord for leasing of the office premises; (ii) between New Rank Services Limited as tenant and Goldrich Investments Limited as landlord for leasing of the office premises and car parking space; and (iii) between New Rank Services Limited as tenant and Jiacheng Jiaxin International Property Management (Hong Kong) Limited as landlord for leasing of the staff quarter and car parking space. The New Tenancy Agreements are for a term of one year commencing from 1 June 2025. All of Winrich Investments Limited, Goldrich Investments Limited and Jiacheng Jiaxin International Property Management (Hong Kong) Limited are companies indirectly wholly-owned by an associate of a connected person of the Company, and therefore the transactions contemplated under the New Tenancy Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

OUTLOOK AND PROSPECT

The Group has adopted “New Life Everyday, New City” as the theme of its future business development with a view to integrating different businesses to satisfy people’s various daily needs in living. Through the operations of the Group’s different units such as property management in Guangzhou, retail and consumer spending related businesses in Mainland China, investment properties in Luoyang and property development in Zhuhai, the Group will continue to strive for a perfect integration and implementation of the aforesaid theme.

Rental and Property Management Business in Guangzhou

The Group’s wholly-owned subsidiary, Guangdong Changliu Investment Company Limited (“Changliu”), currently is the Group’s main operating unit. Profit generated from the rental and related management service of Changliu decreased moderately as compared to last corresponding period. The leasing of Changliu will continue to be one of the Group’s main commercial activities.

Retail and Consumer Spending Related Businesses in Mainland China

The Group's retail and consumer spending related businesses in Mainland China were restructured as planned at the end of 2024 due to the effects of the PRC's economic changes. Looking ahead, the Group will be cautious and concerned about the structural changes and emerging opportunities in the market of retail and consumer spending related businesses in Mainland China, hoping to expand steadily in a retail and consumer spending related businesses mode with more potential from the second half of this year.

Investment Properties in Luoyang

With regard to Luoyang Properties, on 5 December 2017, the Group submitted a construction plan to 洛陽市城鄉規劃局 (“洛陽規劃局”). After 洛陽規劃局's review, the Group was instructed to modify certain aspects of the construction plan. On 23 June 2018, the Group has been further instructed by 洛陽新區中央商務區規劃建設辦公室 to submit a revised construction plan to 洛陽市城鄉一體化示範區商務中心區辦公室 for approval and the document was submitted on 17 July 2018. On 13 August 2018, the Group received a notice from 洛陽市城鄉一體化示範區商務中心區辦公室, pursuant to which, the location of Luoyang Properties was minimal adjusted. On 27 September 2023, 洛陽市自然資源和規劃局 issued an approval document (建設用地許可證) on the revised construction plan submitted by the Group in early period.

In September 2024, seizing the chance on the recent personnel adjustment of the governing team in Luoyang, our team submitted an application to the local government for changing the project land use to a mixed commercial and residential use.

As of 21 October 2024, the public notice period for the land use change was concluded, and the planning conditions were confirmed.

As at 30 June 2025, the Group continues to actively engage with the relevant government authorities, awaiting the official approval necessary to commence the project.

Property Development in Zhuhai

The development of Zhuhai property is part of the Group's commercial property development projects in Great Bay Area that was scheduled in year 2020. In 2025, taking into account the adjustment of the property market environment in the PRC, the Group is monitoring the pace of development of the property market and will then decide on the next steps and development for that project. Our Group holds an optimistic attitude towards the long-term real estate market in China, but we will also not overlook market dynamics and will pay attention to the same in making the most favorable commercial decisions for our Company.

Acquisition of Concrete Mixing Transport Trucks

On 24 May 2024, the Company as purchaser, entered into a sale and purchase agreement which was supplemented and amended by a supplemental agreement dated 27 May 2024 (collectively, the “SPA”) with 惠州市金沙商貿有限公司 (in English for identification purposes only Hui Zhou Jinsha Trading Company Limited), a domestic company established under the laws of the PRC as vendor (the “Vendor”), pursuant to which the Company agreed to purchase and the Vendor agreed to sell a total of 70 concrete mixing transport trucks (the “Trucks”) at a total consideration of RMB12,011,520.00 (equivalent to HK\$13,056,000.00) which shall be satisfied by the issue and allotment of the 17,000,000 new shares of the Company (the “Consideration Shares”) at the issue price of HK\$0.768 per Consideration Share on completion (the “Completion”) of the transactions contemplated under the SPA.

As the Company has been carrying out the property development business in the Mainland China, the Company intends to diversify its business into the provision of logistic and transportation and preparation services of concrete for various property developers in the PRC as a lateral expansion of the business of the Group and serve as an additional source of the revenue of the Group. The purchase of the Trucks shall be used for preparation and transportation of concrete.

Pursuant to the extension agreements signed on 16 December 2024 and 30 June 2025, both parties have mutually agreed to extend the payment timeline to 31 December 2025 for fulfilling the existing payment obligations outlined in the sale and purchase agreement, without altering the payment terms or methods.

For details, please refer to the announcements of the Company dated 24 May 2024 and 27 May 2024.

FINANCIAL REVIEW

During the Period under review, the Group has revenue and loss for the Period amounted to approximately HK\$28,312,000 and HK\$15,270,000 respectively, whereas the Group had revenue and loss for the first half of 2024 were approximately HK\$56,461,000 and approximately HK\$11,740,000 respectively. Basic loss per share for six months ended 30 June 2025 was HK3.97 cents (basic loss per share for six months ended 30 June 2024 was HK9.15 cents).

DIVIDENDS

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

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING REQUIREMENTS

As at 30 June 2025, the Group's total assets were approximately HK\$1,653,144,000 (31 December 2024: HK\$1,609,797,000) and total liabilities were approximately HK\$1,425,984,000 (31 December 2024: HK\$1,336,389,000). As at 30 June 2025, the cash and bank balances was approximately HK\$10,105,000 (31 December 2024: HK\$8,459,000) and the current ratio (current assets/current liabilities) was 2.72 as at 30 June 2025 (31 December 2024: 1.33).

GEARING RATIO

The gearing ratio (debt/equity) was 81% as at 30 June 2025 (31 December 2024: 78%).

EXCHANGE RISKS

The majority of the Group's operations are located in the PRC and Hong Kong. The main operational currencies are Hong Kong Dollars and Renminbi. The Company is paying regular and active attention to Renminbi exchange rate fluctuation and consistently assessing exchange risks.

CAPITAL STRUCTURE

There is no change in the capital structure of the Company.

PLEDGE OF ASSETS

As at 30 June 2025, the Group's investment properties and properties under development for sale in Guangzhou, Luoyang and Zhuhai were pledged to secure for bank borrowings.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, the Company did not have any significant investments or material acquisitions and disposals for the six months ended 30 June 2025.

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

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

CONTINGENT LIABILITIES

Details of the contingent liabilities were set out in note 19 to this report.

COMMITMENT

The Group did not have any commitment as at 30 June 2025.

OTHER INFORMATION

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has complied with all the code provisions (“Code Provisions”) as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), save for the deviations listed below:

- The Chairman of the Company is also the chief executive officer of the Company, which deviates from Code Provision A.2.1 which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. As the current nature of the Group’s business is not complicated, the Board considers that the current structure is sufficient for monitoring and controlling the operation of the Group. The Company will review its structure from time to time and will make corresponding arrangements to observe the provisions of the Listing Rules whenever necessary.
- According to the Articles of Association of the Company, the non-executive directors of the Company are not appointed for specific terms. Thus, they are deviated from Code Provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term, subject to re-election and Code Provision A.4.2 which stipulates that all directors appointed to fill a casual vacancy shall hold office only until the next following general meeting and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. However, in view of the fact that non-executive directors are subject to retirement by rotation as stipulated in the Company’s Articles of Association, the Company considers that there are sufficient measures in place to ensure that the corporate governance of the Company are no less exacting than the Code Provisions. The Company will review its Articles of Association from time to time and will make any amendments to ensure observance of the provisions of the Listing Rules whenever necessary.

- According to Article 87(1) of the Articles of Association, since the Chairman of the Board, whilst holding such office, is not subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year, Code Provision A.4.2 is deviated. The Chairman plays an essential role in the growth and development of the Group. At present, the Chairman's continuing presence in the Board is important to assure sustainable development of the Group. Given the importance of the Chairman's role, the Board considers that the relevant article in the Articles of Association has no material impact on the operation of the Group as a whole.

EMPLOYEES

As at 30 June 2025, the Group has employed about 46 employees in Hong Kong and the PRC. The Group adopts a competitive remuneration package for its employees. Remuneration packages are reviewed annually with reference to the then prevailing market employment practices and legislation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the Chief Executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the shares and underlying shares of the Company

Name of Director	Capacity/nature of interests	Number of shares and underlying shares held	Approximate % of shareholding
Mr. Han Junran	Interest of controlled corporation	37,733,255 ⁽¹⁾	27.29
	Beneficial owner	32,521,754	23.52

Note:

- (1) Junyi Investments Limited (a company wholly-owned by Mr. Han Junran) held 37,733,255 Shares, representing 27.29% of the issued share capital. For the purposes of the SFO, Mr. Han Junran was deemed to be interested in the 37,733,255 Shares held by Junyi Investments Limited.

Save as disclosed above, as at 30 June 2025, none of the Directors or Chief Executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTEREST IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executive of the Company, as at 30 June 2025, other than the interests and short positions of the Directors or Chief Executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long position in the shares of the Company

Name	Capacity	Number of shares and underlying shares held	Approximate % of shareholding
Junyi Investments Limited	Beneficial owner	37,733,255 ⁽¹⁾	27.29
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP)	Person having a security interest	70,255,009 ⁽²⁾	50.82
Zhongtai International Asset Management Limited	Investment manager	70,255,009 ⁽²⁾	50.82

Notes:

- (1) Junyi Investments Limited, a company incorporated with limited liability in the British Virgin Islands, is wholly-owned by Mr. Han Junran who is an Executive Director of the Company.
- (2) The security interest of the 70,255,009 shares of the Company is held by Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP), an investment fund managed by Zhongtai International Asset Management Limited.

Save as disclosed above, as at 30 June 2025, there was no other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all Directors have confirmed that they had complied with the Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee comprises three members who are independent non-executive directors namely Mr. Chan Yiu Tung, Anthony, Mr. Zhang Jing and Mr. Leung Kwai Wah Alex. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal controls and the Condensed Consolidated Financial Statements for the six months ended 30 June 2025.

By Order of the Board
New City Development Group Limited
Han Junran
Chairman

Hong Kong, 31 August 2025