



# **CHEUK NANG (HOLDINGS) LIMITED**

(Stock Code: 131)

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**INTERIM REPORT**  
**FOR THE SIX MONTHS ENDED 31/12/2024**

# CHEUK NANG (HOLDINGS) LIMITED

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

### CHAIRMAN STATEMENT

#### RESULTS

I herewith announce that the unaudited consolidated loss after income tax for the six months ended 31 December 2024 of our Group is HK\$34,919,000 as compared with 2023: profit after income tax of HK\$312,900,000 as set out in the unaudited condensed consolidated statement of profit or loss which has been reviewed by the Company's audit committee.

The Directors resolved the payment of an interim dividend of HK2.25 cents per share as compared the interim dividend of 2023: HK2.25 cents.

#### REVIEW OF OPERATIONS

The progress of our projects is as follows:

##### **Hong Kong Properties**

Hong Kong's property market, despite some improvement last year, was still struggling with a glut of new homes and slower-than-expected sales. The backlog of existing properties has not improved, it will take time for completed units to be disposed of.

##### ***One Kowloon Peak, No. 8 Po Fung Terrace, Ting Kau, Tsuen Wan***

The marketing for rental of the remaining units in Phase 1 is still in progress and has achieved satisfactory results.

##### ***Villa Cecil Phase II, 192 Victoria Road, Pokfulam***

The occupancy rate maintained at 60%.

### ***Villa Cecil Phase III, 216 Victoria Road, Pokfulam***

The occupancy rate of the two blocks has reached 75% which contributed good rental income to the Group.

### ***Cheuk Nang Lookout, 30 Severn Road, The Peak***

The public tender of Villa Crocus has commenced on 11 November 2024 and ended on 24 February 2025. No tender submission was received on the deadline but we have received two written offers to buy which we are actively considering.

### ***New Villa Cecil, 33 Cheung Chau Sai Tai Road, Cheung Chau***

Over 30% of the villas in Phase 1 are leased out. The construction work of Phase 2 and the overall site improvement work are in progress and nearly completed.

## **China Properties**

China will focus on unlocking housing demand by fully implementing a mix of policies to support people's needs for buying their first homes or improving their housing conditions. China's property market has shown positive momentum this year, bolstered by a series of pro-housing measures, including reductions in mortgage rates, lowered deposit payment requirements, relaxed purchase restrictions, and improvements to land use, fiscal and tax policies.

### ***Cheuk Nang Garden***

*Longhwa, Shenzhen*

The Sales campaign still continues. Up till now, a total of 807 units were sold and the sales amount to RMB3.96 billion.

### ***Cheuk Nang • Riverside***

*Yue Hang Qu, Hangzhou*

The construction work of the entire project has been substantially completed, and the planning acceptance has been approved. However, the building acceptance and the property certificate for strata ownership have not yet been completed.

## **Macau Properties**

### ***Golden Cotai No. 1***

*Estrada de Seac Pai Van, Coloane*

We have made an appeal to The Chief Executive of Macau on 12 February 2025 to appeal for the land marked "A2" and "B2" and development proposal in respect of the land without "A2" and "B2" are still in preparation. Up to the present moment, no reply was received from the Chief Executive.

## **Malaysia Properties**

### ***Phase I “Parkview”***

*Lot 1359, Section 57, Lorong Perak, Kuala Lumpur*

The occupancy of the serviced apartments currently is increased to 80%, and upgrading the property to improve the occupancy is still in progress.

### ***Phase II “Cecil Central Residence”***

*Lot 11385 and 11386, Section 57, Lorong Perak, Kuala Lumpur*

Tendering of the project was commenced on 28 October 2024 and ended on 20 January 2025. During the period, seven intended purchasers have purchased the tender documents, however, no tender submission was received at the deadline.

## **INVESTMENT IN BONDS, HONG KONG STOCK AND FUND**

The investment in Bond market as at 31 December 2024 was HK\$51,211,000. During the Period, a total of HK\$65,000 was redeemed and no Bond was purchased.

The market price of our investment in the Hong Kong stocks as at 31 December 2024 was HK\$60,798,000. During the Period, no stock was purchased and sold.

The investment in Fund as at 31 December 2024 was HK\$2,905,000. During the Period, no fund was purchased and sold.

## **OUTLOOK**

The recent performance of the Hong Kong property and stock markets has improved. In January this year, both the volume and price of property transactions in Hong Kong slightly increased. With the global trend of declining interest rates in 2025, the Hong Kong financial market will further recover, and the economic growth momentum will be stronger than last year.

## **DIRECTORS AND STAFF**

I would like to express my deep gratitude to our directors and employees for their contributions during the period.

As at the date of this report, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman), Mr. Chao Howard and Ms. Ho Sau Fun, Connie; the Non-Executive Director is Mr. Lee Ding Yue Joseph; the Independent Non-Executive Directors are Mr. Lam Ka Wai, Graham, Mr. Sun Dai Hoe, Harold and Mr. Lee Tsung Hei David Chris.

By order of the Board  
**CECIL CHAO SZE TSUNG**  
*Executive Chairman*

Hong Kong, 28 February 2025

## RESULTS

The unaudited accounts of the Company and its subsidiaries (collectively referred to as the “Group”) which have been reviewed by the Company’s audit committee are listed as follows:

### Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 December 2024

	Notes	Six months ended 31 December	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>77,685</b>	78,471
Direct costs		<b>(20,568)</b>	(18,754)
<b>Gross profit</b>		<b>57,117</b>	59,717
Other income	4	<b>14,839</b>	10,654
Change in fair value of investment properties		<b>(22,242)</b>	(41,366)
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		<b>6,487</b>	(1,397)
Net expected credit loss (“ECL”) of financial assets at fair value through other comprehensive income (“FVTOCI”)		–	(382)
Administrative expenses		<b>(28,613)</b>	(28,360)
Finance costs	5a	<b>(30,317)</b>	(12,351)
<b>Loss before income tax</b>	5	<b>(2,729)</b>	(13,485)
Income tax (expense)/credit	6	<b>(32,190)</b>	326,385
<b>(Loss)/profit for the period</b>		<b>(34,919)</b>	312,900
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the Company		<b>(49,518)</b>	312,911
Non-controlling interests		<b>14,599</b>	(11)
		<b>(34,919)</b>	(312,900)
<b>(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company during the period</b>			
Basic	8	<b>HK\$(0.08)</b>	HK\$0.48
Diluted		<b>HK\$(0.08)</b>	HK\$0.48

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2024

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>(Loss)/profit for the period</b>	<b>(34,919)</b>	312,900
<b>Other comprehensive income/(expenses) for the period, net of tax</b>		
Item that will be reclassified subsequently to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI") (recycling)	<b>1,400</b>	(22,158)
Exchange gain on translation of financial statements of foreign operations	<b>4,099</b>	27,816
Item that will not be reclassified subsequently to profit or loss:		
Change in fair value of land and buildings held for own use	<b>1,863</b>	(120)
Other comprehensive income for the period, net of tax	<b>7,362</b>	5,538
<b>Total comprehensive (expense)/income for the period</b>	<b>(27,557)</b>	<b>318,438</b>
<b>Total comprehensive (expense)/income for the period attributable to:</b>		
Owners of the Company	<b>(42,156)</b>	318,449
Non-controlling interests	<b>14,599</b>	(11)
	<b>(27,557)</b>	<b>318,438</b>

## Condensed Consolidated Statement of Financial Position

As at 31 December 2024

		At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties	9	5,359,899	5,365,067
Property, plant and equipment		193,599	190,569
Other non-current asset		950	950
Other financial assets	10	50,335	49,248
Deferred tax assets		15,001	15,001
		<u>5,619,784</u>	<u>5,620,835</u>
<b>Current assets</b>			
Properties under development for sale	9	1,389,299	1,394,106
Completed properties for sale		1,573,703	1,586,016
Other financial assets	10	876	628
Financial assets at fair value through profit or loss	11	63,703	57,216
Trade and other receivables	12	21,777	21,095
Bank balances and cash	13	640,325	881,792
		<u>3,689,683</u>	<u>3,940,853</u>
<b>Current liabilities</b>			
Other payables		140,915	146,092
Contract liabilities	16	3,803	12,785
Amounts due to non-controlling shareholders		239,990	239,990
Amount due to a related company		4,943	4,645
Interest-bearing borrowings		211,000	1,131,508
Advance from a director		237,116	211,617
Lease liabilities	15	2,260	1,290
Tax payable		219,587	215,495
		<u>1,059,614</u>	<u>1,963,422</u>
<b>Net current assets</b>		<u>2,630,069</u>	<u>1,977,431</u>



		At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
<b>Total assets less current liabilities</b>		<b>8,249,853</b>	7,598,266
<b>Non-current liabilities</b>			
Interest-bearing borrowings		704,000	–
Lease liabilities	15	2,624	744
Deferred tax liabilities		704,297	704,926
		<b>1,410,921</b>	705,670
<b>Net assets</b>		<b>6,838,932</b>	6,892,596
<b>EQUITY</b>			
Share capital	14	2,468,985	2,468,985
Reserves		4,147,120	4,215,383
<b>Equity attributable to the owners of the Company</b>		<b>6,616,105</b>	6,684,368
<b>Non-controlling interests</b>		<b>222,827</b>	208,228
<b>Total equity</b>		<b>6,838,932</b>	6,892,596

## Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2024

	Six months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(27,467)	338,354
<b>Investing activities</b>		
Dividend received	2,072	2,461
Bank interest received	5,354	1,446
Additions of investment properties	(642)	(603)
Proceeds from redemption of financial assets at FVTOCI	65	1,292
Net cash generated from investing activities	6,849	4,596
<b>Financing activities</b>		
Advance from a director	25,499	20,500
Dividend paid	(26,107)	(19,580)
Bank loans raised	207,400	9,276
Repayment of bank loans	(423,908)	–
Payment of lease liabilities	(1,240)	–
Net cash (used in)/generated from financing activities	(218,356)	10,196
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(238,974)</b>	<b>353,146</b>
<b>Cash and cash equivalents at 1 July</b>	<b>881,792</b>	<b>323,525</b>
Effect of foreign exchange rate changes, on cash held	(2,493)	5,808
<b>Cash and cash equivalents at 31 December, represented by cash at banks</b>	<b>640,325</b>	<b>682,479</b>

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2024

	Equity attributable to the owners of the Company							
	Share capital	Exchange reserve*	Property revaluation reserve*	Financial assets at FVTOCI reserve (recycling)*	Retained profits*	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 July 2023	2,468,985	(412,007)	32,655	(19,702)	4,503,627	6,573,558	208,902	6,782,460
Profit for the period	-	-	-	-	312,911	312,911	(11)	312,900
Other comprehensive income/ (expenses) for the period								
Exchange gain on translation of financial statements of foreign operations	-	27,816	-	-	-	27,816	-	27,816
Change in fair value of financial assets at FVTOCI	-	-	-	(22,158)	-	(22,158)	-	(22,158)
Change in fair value of land and buildings held for own use	-	-	(120)	-	-	(120)	-	(120)
<b>Total comprehensive income/ (expense) for the period</b>	<b>-</b>	<b>27,816</b>	<b>(120)</b>	<b>(22,158)</b>	<b>312,911</b>	<b>318,449</b>	<b>(11)</b>	<b>318,438</b>
2023 final dividend approved and paid (Note 7)	-	-	-	-	(19,580)	(19,580)	-	(19,580)
Balance at 31 December 2023	<u>2,468,985</u>	<u>(384,191)</u>	<u>32,535</u>	<u>(41,860)</u>	<u>4,796,958</u>	<u>6,872,427</u>	<u>208,891</u>	<u>7,081,318</u>

Equity attributable to the owners of the Company

	Share capital <i>HK\$'000</i> (Unaudited)	Exchange reserve* <i>HK\$'000</i> (Unaudited)	Property revaluation reserve* <i>HK\$'000</i> (Unaudited)	Financial assets at FVTOCI (recycling)* <i>HK\$'000</i> (Unaudited)	Retained profits* <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)	Non- controlling interests <i>HK\$'000</i> (Unaudited)	Total equity <i>HK\$'000</i> (Unaudited)
Balance at 1 July 2024	2,468,985	(427,133)	33,150	(31,674)	4,641,040	6,684,368	208,228	6,892,596
Profit for the period	-	-	-	-	(49,518)	(49,518)	14,599	(34,919)
Other comprehensive income/ (expenses) for the period								
Exchange gain/(loss) on translation of financial statements of foreign operations	-	4,099	-	-	-	4,099	-	4,099
Change in fair value of financial assets at FVTOCI	-	-	-	1,400	-	1,400	-	1,400
Change in fair value of land and buildings held for own use	-	-	1,863	-	-	1,863	-	1,863
<b>Total comprehensive income/ (expense) for the period</b>	<b>-</b>	<b>4,099</b>	<b>1,863</b>	<b>1,400</b>	<b>(49,518)</b>	<b>(42,156)</b>	<b>14,599</b>	<b>(27,557)</b>
2024 final dividend approved and paid ( <i>Note 7</i> )	-	-	-	-	(26,107)	(26,107)	-	(26,107)
<b>Balance at 31 December 2024</b>	<b><u>2,468,985</u></b>	<b><u>(423,034)</u></b>	<b><u>35,013</u></b>	<b><u>(30,274)</u></b>	<b><u>4,565,415</u></b>	<b><u>6,616,105</u></b>	<b><u>222,827</u></b>	<b><u>6,838,932</u></b>

\* These reserve accounts comprise the Group's reserves of HK\$4,147,120,000 (As at 30 June 2024(Audited): HK\$4,215,383,000) in the condensed consolidated statement of financial position.

## **Notes to the Condensed Consolidated Financial Statements**

*For the six months ended 31 December 2024*

### **1. BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 28 February 2025, and have been reviewed by the Company’s Audit Committee.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2024, except for the adoption of new or amended Hong Kong Financial Reporting Standards (“HKFRSs”) effective on or after 1 July 2024 as disclosed in Note 2 and the accounting policy changes that are expected to be reflected in the 2025 annual financial statements.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2024.

The financial information relating to the financial year ended 30 June 2024 that is included in the interim financial statements for the six months ended 31 December 2024 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 2. ADOPTION OF NEW AND AMENDED HKFRSs

#### (a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 July 2024

The condensed consolidated interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 30 June 2024, except for the adoption of the following new and amended HKFRSs effective as of 1 July 2024. The Group has not early adopted any other standards, interpretation or amendment that has been issued but not yet effective.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

#### (b) Issued but not yet effective HKFRSs

The Group has not applied any new and amended HKFRSs that have been published by the HKICPA but are not yet effective for the current accounting period. The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact on its results and financial position.

### 3. SEGMENT INFORMATION

The Group is principally engaged in property development and investment and provision of property management and related services. Turnover of the Group is the revenue from these activities.

In accordance with the Group's internal financial reporting provided to the executive directors of the Company, being the chief operating decision makers who are responsible for allocating resources, assessing performance of the operating segments and making strategic decision, the executive directors consider the business from business perspective.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 3. SEGMENT INFORMATION (Continued)

From business perspective, the Group organised into the following main business segments:

- Property sales;
- Property rental;
- Estate management; and
- Others – securities trading, investments in financial instruments and debentures

The chief operating decision makers assess the performance of the operating segments based on the profit/(loss) before income tax for the period.

Information regarding the Group's reportable segments as provided to the chief operating decision makers is set out below:

#### For the six months ended 31 December 2024 (Unaudited)

	Property sales HK\$'000	Property rental HK\$'000	Estate management HK\$'000	Others HK\$'000	Total HK\$'000
Revenue					
From external customers	61,798	15,887	–	–	77,685
Inter-segment revenue	–	–	–	–	–
<b>Reportable segment revenue</b>	<b><u>61,798</u></b>	<b><u>15,887</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>77,685</u></b>
<b>Reportable segment profit/(loss)</b>	<b><u>50,268</u></b>	<b><u>(13,907)</u></b>	<b><u>(3,175)</u></b>	<b><u>6,646</u></b>	<b><u>39,832</u></b>
Other information:					
Depreciation of property, plant and equipment	13	227	–	1,915	2,155
Depreciation of right-of-use assets	–	–	1,445	–	1,445
Income tax expense	(33,296)	–	–	–	(33,296)
Decrease in fair value of investment properties	–	(22,242)	–	–	(22,242)
Increase in fair value of financial assets at FVTPL	–	–	–	6,487	6,487
<b>As at 31 December 2024 (Unaudited)</b>					
<b>Reportable segment assets</b>	<b><u>3,758,025</u></b>	<b><u>4,772,252</u></b>	<b><u>7,420</u></b>	<b><u>63,702</u></b>	<b><u>8,601,399</u></b>
<b>Reportable segment liabilities</b>	<b><u>116,535</u></b>	<b><u>262,610</u></b>	<b><u>6,495</u></b>	<b><u>242,739</u></b>	<b><u>628,379</u></b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 3. SEGMENT INFORMATION (Continued)

For the six months ended 31 December 2023 (Unaudited)

	Property sales HK\$'000	Property rental HK\$'000	Estate management HK\$'000	Others HK\$'000	Total HK\$'000
Revenue					
From external customers	60,902	16,993	576	–	78,471
Inter-segment revenue	4,000	–	–	–	4,000
<b>Reportable segment revenue</b>	<b>64,902</b>	<b>16,993</b>	<b>576</b>	<b>–</b>	<b>82,471</b>
<b>Reportable segment profit/(loss)</b>	<b>51,183</b>	<b>(32,036)</b>	<b>(2,202)</b>	<b>1,064</b>	<b>18,009</b>
Other information:					
Depreciation of property, plant and equipment	–	225	45	–	270
Depreciation of right-of-use assets	–	73	1,062	–	1,135
Income tax credit	326,385	–	–	–	326,385
Decrease in fair value of investment properties	–	(41,366)	–	–	(41,366)
Decrease in fair value of financial assets at FVTPL	–	–	–	(1,398)	(1,398)
<b>As at 30 June 2024 (Audited)</b>					
<b>Reportable segment assets</b>	<b>3,779,612</b>	<b>4,584,165</b>	<b>3,847</b>	<b>57,216</b>	<b>8,424,840</b>
<b>Reportable segment liabilities</b>	<b>132,033</b>	<b>262,555</b>	<b>4,801</b>	<b>6,157</b>	<b>405,546</b>



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 3. SEGMENT INFORMATION (Continued)

The Group's principal activities are disclosed in above, and the revenue during the year is as follows:

	Six months ended 31 December	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Property sales	61,798	60,902
Property rental	15,887	16,993
Estate management	–	576
	<u>77,685</u>	<u>78,471</u>

#### Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical market:

Segments	Six months ended 31 December 2024	
	Property sales <i>HK\$'000</i> (Unaudited)	Property rental <i>HK\$'000</i> (Unaudited)
Geographical markets		
PRC	61,798	379
Hong Kong	–	15,040
Malaysia	–	468
	<u>61,798</u>	<u>15,887</u>
Timing of revenue recognitions under HKFRS 15 from external customers		
At a point in time	61,798	–
Rental income not in the scope of HKFRS 15	–	15,887
	<u>61,798</u>	<u>15,887</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 3. SEGMENT INFORMATION (Continued)

For the six months ended 31 December 2023 (Unaudited)

Segments	Six months ended 31 December 2023		
	Property sales <i>HK\$'000</i> (Unaudited)	Property rental <i>HK\$'000</i> (Unaudited)	Estate management <i>HK\$'000</i> (Unaudited)
Geographical markets			
PRC	60,902	329	294
Hong Kong	–	16,437	282
Malaysia	–	227	–
	<u>60,902</u>	<u>16,993</u>	<u>576</u>
Timing of revenue recognitions under HKFRS 15 from external customers			
At a point in time	60,902	–	–
Over time	–	–	576
Rental income not in the scope of HKFRS 15	–	16,993	–
	<u>60,902</u>	<u>16,993</u>	<u>576</u>

The reportable segment profit can be reconciled to the Group's (loss)/profit before income tax as presented in this interim financial report as follows:

	Six months ended 31 December	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited)
Reportable segment profit	39,832	18,009
Unallocated corporate income	11,934	8,193
Unallocated corporate expenses	(24,178)	(27,336)
Finance costs	(30,317)	(12,351)
Loss before income tax of the Group	<u>(2,729)</u>	<u>(13,485)</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 4. OTHER INCOME

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Dividend income from listed equity investments	2,072	2,461
Interest received	10,915	7,728
Sundry income	1,852	465
	<b>14,839</b>	<b>10,654</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting) the following:

	Six months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>(a) Finance costs</b>		
Interest charges on:		
Bank loans	22,256	16,885
Advances from a director	7,260	6,140
Other incidental borrowing costs	801	380
Bonds	–	–
	<hr/>	<hr/>
Total finance costs	30,317	23,405
Less: Interest capitalised into investment properties and properties under development for sale	–	(11,054)
	<hr/>	<hr/>
	<b>30,317</b>	<b>12,351</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>(b) Other items</b>		
Depreciation	3,600	1,405
Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	12,337	11,031
Contribution to defined contribution plans	376	330
	<hr/>	<hr/>
	<b>376</b>	<b>330</b>
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 6. INCOME TAX EXPENSE/(CREDIT)

No Hong Kong Profits Tax has been provided in the condensed consolidated interim financial statements as the Group has no assessable profit in Hong Kong for the six months ended 31 December 2024 (2023: Nil).

Under The New Law and Implementation Regulations, the tax rate of PRC subsidiaries is 25% (2023: 25%).

The provision for Land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the jurisdictions in which the Group operates.

The taxation expense/(credit) is made up as follows:

	Six months ended 31 December	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax		
– Overseas		
PRC enterprise income tax	7,626	(351,706)
PRC land appreciation tax	25,670	25,321
	<b>33,296</b>	<b>(326,385)</b>
Deferred taxation	<b>(1,106)</b>	–
Total income tax expense/(credit)	<b>32,190</b>	<b>(326,385)</b>

In accordance with the State Taxation Administration Announcement 2016 No. 81 on issues related to the refund of enterprise income tax arising from the settlement of land appreciation tax by real estate development enterprises (hereinafter as “No. 81 Announcement”), whereby after an enterprise conducts the settlement of land appreciation tax on a development project, any loss occurs after the final settlement and payment of enterprise income tax in the current year and there being no further sale of properties and no other subsequent development projects, the enterprise income tax overpaid for the project during its project life can be refunded.

Due to the COVID impact, Power Wide Property Development (Shenzhen) Company Limited (“Power Wide SZ”) has no sale of property which resulted in a tax loss for the year ended 30 June 2022, thereby did not have sufficient assessable income to offset the land appreciation tax. As Power Wide SZ did not have sufficient assessable income to offset the land appreciation tax paid, an overpaid of enterprise income tax in previous years was noted. In accordance with No. 81 Announcement, Power Wide SZ applied for the enterprise income tax paid in previous years to be refunded, the tax refund application was successful and the local tax bureau had agreed to refund approximately RMB328.9 million (equivalents to approximately HK\$351.7 million) to Power Wide SZ. The amount was fully received in July 2023.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 7. DIVIDENDS

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Final dividend declared and paid of HK4.0 cents (2023: HK3.0 cents) per ordinary share	<b>26,107</b>	19,580
Proposed interim dividend of HK2.25 cents (2023: HK2.25 cents) per ordinary share	<b>14,686</b>	14,686
	<b><u>40,793</u></b>	<b><u>34,266</u></b>

The interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

### 8. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share for the period is based on the following data:

#### (Loss)/profit for the period

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to the owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share	<b><u>(49,518)</u></b>	<b><u>312,911</u></b>

#### Number of shares

	Six months ended 31 December	
	2024	2023
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	<b><u>652,676,781</u></b>	<b><u>652,676,781</u></b>

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share for six months ended 31 December 2024 and 2023 are the same as basic (loss)/earnings per shares as there was no potential ordinary shares outstanding as at 31 December 2024 and 2023.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 9. INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 31 December 2024, capital expenditure on additions of the investment properties was HK\$642,000 (31 December 2023: HK\$603,000), on properties under development was HK\$753,000 (31 December 2023: HK\$3,351,000).

The valuations of investment properties carries at fair value were updated at 31 December 2024 by the Directors using the same valuation techniques as used by the independent valuers when carrying out the 30 June 2024 valuations. As a result of the update, a net loss on fair value of HK\$22,242,000 (31 December 2023: HK\$41,366,000) has been recognised in the condensed consolidated statement of profit or loss.

During the six months ended 31 December 2024 and 31 December 2023, there was no disposal of investment properties.

### 10. OTHER FINANCIAL ASSETS

Other financial assets included the following investment:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
<b>Non-current assets</b>		
Financial assets at FVTOCI:		
Perpetual notes, listed in Hong Kong ( <i>Note (a)</i> )	20,358	19,928
Perpetual notes, listed outside Hong Kong ( <i>Note (b)</i> )	21,045	20,902
Debentures, listed in Hong Kong ( <i>Note (c)</i> )	3,252	2,909
Debentures, listed outside Hong Kong ( <i>Note (d)</i> )	23,748	23,577
Less: Impairment loss	(18,068)	(18,068)
	50,335	49,248
<b>Current assets</b>		
Financial assets at FVTOCI:		
Debentures, listed outside Hong Kong ( <i>Note (d)</i> )	20,372	20,124
Less: Impairment loss	(19,496)	(19,496)
	876	628
	51,211	49,876

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 10. OTHER FINANCIAL ASSETS (Continued)

The movement of gross balance of financial assets at FVTOCI is as follows:

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2023	46,512	–	55,191	101,703
Redemption	(250)	–	(2,041)	(2,291)
Change in fair value	(4,412)	–	(7,560)	(11,972)
	<u>41,850</u>	<u>–</u>	<u>45,590</u>	<u>87,440</u>
At 30 June 2024 (audited)	41,850	–	45,590	87,440
Redemption	–	–	(65)	(65)
Change in fair value	572	–	828	1,400
	<u>572</u>	<u>–</u>	<u>828</u>	<u>1,400</u>
At 31 December 2024 (unaudited)	<u><u>42,422</u></u>	<u><u>–</u></u>	<u><u>46,353</u></u>	<u><u>88,775</u></u>

The movements of impairment loss for financial assets at FVTOCI are as follows:

	At 31 December 2024 <i>HK\$'000</i> (unaudited)	At 30 June 2024 <i>HK\$'000</i> (audited)
<b>Stage 3</b>		
At the beginning of the reporting period	37,564	32,589
Increase in impairment loss recognised	–	4,975
	<u>37,564</u>	<u>37,564</u>
At the end of the reporting period	<u><u>37,564</u></u>	<u><u>37,564</u></u>

The Group held the above investments under a business model whose objective is hold to collect the associated cash flows and sale; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 10. OTHER FINANCIAL ASSETS (Continued)

Notes:

- (a) The Group has investment in perpetual notes with principal amounts ranging from US\$500,000 to US\$4,500,000 (30 June 2024 (Audited): US\$500,000 to US\$4,500,000) listed in Hong Kong without fixed maturity date at fixed rates ranging from 4.85% to 6.5% per annum, payable semi-annually (30 June 2024 (Audited): fixed rates ranging from 4.85% to 6.5% per annum, payable semi-annually).
- (b) The Group has investments in three perpetual notes (30 June 2024 (Audited): three perpetual notes) with principal amount of US\$500,000, US\$1,000,000 and US\$1,400,000 (30 June 2024 (Audited): US\$500,000, US\$1,000,000 and US\$1,400,000) listed outside Hong Kong without fixed maturity date at a coupon rate ranging 5.25% to 8.00% (30 June 2024 (Audited): ranging from 5.25% to 8.00% per annum), payable semi-annually.
- (c) The Group has investment in one listed debenture (30 June 2024 (Audited): one listed debenture) with principal amounts of US\$588,611 (30 June 2024 (Audited): US\$588,611) listed in Hong Kong with maturity dates of 31 January 2028 at a fixed coupon rates of 6.5% (30 June 2024 (Audited): 6.5%) per annum, payable semi-annually. The listed debenture with principal amount of US\$620,570 with fixed maturity date on 31 January 2028 at a coupon rate of 6.50% per annum was partially redeemed during the year ended 30 June 2024.
- (d) The Group has investments in seven (30 June 2024 (Audited): seven) listed debentures with principal amounts ranging from US\$500,000 to US\$2,790,000 (30 June 2024 (Audited): US\$500,000 to US\$2,553,000) with fixed maturity date ranging from 23 March 2022 to 19 August 2027 (30 June 2024 (Audited): 23 March 2022 to 19 August 2027) at a coupon rates ranging from 4.5% to 10.5% (30 June 2024 (Audited): 4.5% to 10.5%) per annum, payable semi-annually. One listed debenture with principal amount of US\$2,190,000 with fixed maturity date on 19 August 2027 at a coupon rate of 4.5% per annum was partially redeemed during the year ended 30 June 2024. During the year ended 30 June 2024, there was defaults of interest payments by the debenture issuer. As a result, an additional impairment loss of HK\$4,975,000 was recognised in profit or loss during the year ended 30 June 2024. As at 31 December 2024, accumulated ECL amounted to HK\$37,564,000 was recognised. One listed debenture with principal amount of US\$2,790,000 with fixed maturity date on 20 July 2024 at a coupon rate of 9.00% per annum was extended to 19 August 2027 and its coupon rate was decreased to 4.50% per annum during the year ended 30 June 2024.

Except as those mentioned above, the credit risk on other listed perpetual notes and debentures is considered to be insignificant because the issuers are assigned with high credit ratings by international credit rating agencies.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
<b>Financial assets at fair value through profit or loss</b>		
Equity securities listed in Hong Kong (Note (i))	60,798	54,263
Unlisted investment fund (Notes (i) and (ii))	2,905	2,953
	<u>63,703</u>	<u>57,216</u>

Notes:

- (a) The fair value of the Group's investments in listed equity securities have been measured as described in Note 20.
- (b) The unlisted investment fund as at 31 December 2024 was a fund managed by a financial institution incorporated in Hong Kong. It was mandatorily measured at fair value through profit or loss in accordance with HKFRS 9 "Financial Instruments" ("HKFRS 9") as contractual cash flows are not solely payments of principal and interest. The fund is classified as current at 31 December 2024 as the investment is redeemable with 12 months after the end of the reporting period.

### 12. TRADE AND OTHER RECEIVABLES

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
<b>Trade receivables</b>		
From third parties	3,678	4,197
<b>Other receivables</b>		
Prepaid expenses	6,624	6,527
Costs for obtaining contracts	318	–
Utilities deposits	2,380	2,669
Other deposits	1,502	1,213
Others	7,275	6,489
	<u>18,099</u>	<u>16,898</u>
	<u>21,777</u>	<u>21,095</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 12. TRADE AND OTHER RECEIVABLES (Continued)

The trade receivables of the Group represent rental and management fee in arrears. The Group maintains a credit policy to minimise any credit risk associated with trade receivables. As at the end of the reporting period, the ageing analysis of the trade receivables (which is included in trade and other receivables), based on the debit note or invoice date, is as follows:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
0 – 30 days	149	826
31 – 60 days	79	56
61 – 90 days	6	27
Over 90 days	3,444	3,288
	<u>3,678</u>	<u>4,197</u>

Trade receivables are due upon presentation of invoices.

The Group has no significant concentrations of credit risk, and sufficient rental deposits are held to cover potential exposure to credit risk.

Other receivables included deposits paid to constructors to perform construction works for the Group's investment properties and properties under development. The credit risk of deposits paid are considered to be low, therefore the impact on expected credit loss ("ECL") is considered as immaterial.

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 13. BANK BALANCES AND CASH

	At 31 December 2024 <i>HK\$'000</i> (Unaudited)	At 30 June 2024 <i>HK\$'000</i> (Audited)
Bank deposits	204,000	719,394
Cash at bank	436,325	162,398
Total	<u>640,325</u>	<u>881,792</u>

Included in bank and cash balances of the Group is HK\$279,364,000 (30 June 2024 (Audited): HK\$259,942,000) of bank balances denominated in Renminbi are placed with banks in the PRC. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the bank balances are not freely transferred.

The credit risk on pledged deposits and cash at bank are considered to be insignificant because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

### 14. SHARE CAPITAL

	As at 31 December 2024		As at 30 June 2024	
	<i>No. of shares</i>	<i>HK\$'000</i>	<i>No. of shares</i>	<i>HK\$'000</i>
	(Unaudited)		(Audited)	
Voting ordinary shares:				
At the beginning and the end of the period/year	<u>652,676,781</u>	<u>2,468,985</u>	<u>652,676,781</u>	<u>2,468,985</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 15. LEASE LIABILITIES

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Total minimum lease payments:		
Due within one year	2,450	1,347
Due in the second to fifth years	2,712	782
	<u>5,162</u>	<u>2,129</u>
Future finance charges on leases liabilities	(278)	(95)
Present value of leases liabilities	<u>4,884</u>	<u>2,034</u>
Present value of minimum lease payments:		
Due within one year	2,260	1,290
Due in the second to fifth years	2,624	744
	<u>4,884</u>	<u>2,034</u>
Less: Portion due within one year included under current liabilities	(2,260)	(1,290)
Portion due after one year included under non-current liabilities	<u>2,624</u>	<u>744</u>

During the six months ended 31 December 2024, the total cash outflows for the leases is approximately HK\$1,240,000 (Six months ended 31 December 2023: HK\$1,131,000).

The Group considered that no extension option or termination option would be exercised at the lease commencement date. All are for leasing office premises. The lease periods are for three to five years.

### 16. CONTRACT LIABILITIES

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Contract liabilities arising from receipt in advance from sale of properties	<u>3,803</u>	<u>12,785</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 16. CONTRACT LIABILITIES (Continued)

The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the Group transfers good or service to the customer.

Contract liabilities outstanding amount of HK\$12,785,000 at the beginning of the period have been recognised as revenue during the period (2023: nil).

The significant decrease in contract liabilities during the six months ended 31 December 2024 is mainly due to recognition of revenue.

Since all the contracts with an original duration of one year or less, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 17. COMMITMENTS

#### (a) Capital commitments

Capital commitments in respect of properties under development outstanding at the end of the reporting period not provided for in the condensed consolidated financial statements are as follows:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Contracted but not provided for	<u>170,290</u>	<u>170,170</u>

#### (b) Operating lease commitments – as lessor

At the end of the reporting period, the Group had future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of the Group's properties as follows:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Within one year	21,838	8,402
After 1 year but within 2 years	<u>8,719</u>	<u>1,152</u>
	<u>30,557</u>	<u>9,554</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 17. COMMITMENTS (Continued)

#### (c) Operating lease commitments – as lessee

At 31 December 2024, the lease commitments for short-term leases (30 June 2024: lease commitments for short-term lease) of a warehouse of the Group are as follows:

	At 31 December 2024 HK\$'000 (Unaudited)	At 30 June 2024 HK\$'000 (Audited)
Within one year	<u>97</u>	<u>–</u>

### 18. PLEDGE OF ASSETS

At 31 December 2024, the Group's total bank borrowings of HK\$915,000,000 (30 June 2024 (Audited): HK\$1,129,000,000) was secured by the following:

- (i) legal charges on certain of the Group's investment properties and land and building with carrying values of approximately HK\$2,529,747,000 (30 June 2024 (Audited): HK\$2,546,738,000) and HK\$176,560,000 (30 June 2024 (Audited): HK\$186,254,000) respectively;
- (ii) floating charge over all the assets and undertakings of certain subsidiaries; and
- (iii) assignments of sale proceeds, insurance proceeds, rental income and deposits arising from the tenancy agreements of certain properties.

### 19. MATERIAL RELATED PARTY TRANSACTIONS

Details of material related party transactions which were carried out in the ordinary course of the Group's business are as follows:

		Six months ended 31 December 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries and other short-term employee benefits paid to key management personnel, including amounts paid to the Company's directors		7,636	7,000
Interest paid to Dr. Chao Sze Tsung Cecil	(a)	7,260	6,140
Building management fee paid to Maximus Property Management Limited	(b)	<u>3,355</u>	<u>1,057</u>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 19. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (a) Dr. Chao Sze Tsung Cecil has provided unsecured advances, to the Group at 1% over prime interest rate in Hong Kong per annum. At 31 December 2024, the advances from Dr. Chao Sze Tsung Cecil amounted to approximately HK\$237,116,000 (30 June 2024 (Audited): HK\$211,617,000). Dr. Chao Sze Tsung Cecil confirmed that the advances would be repayable on demand and therefore classified as a current liability.
- (b) Other than the above, no other transaction, arrangement or contract of significance to which the Company was a party and in which a director of the Company or a connected entity of the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the period.

### 20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2, inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.



## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Notes	At 31 December 2024 (Unaudited)		
		Level 1 HK\$'000	Level 2 HK\$'000	Total HK\$'000
<b>Assets</b>				
<b>Financial assets at FVTPL:</b>				
Listed equity securities held for trading	(a)	60,798	–	60,798
Unlisted investment fund	(b)	–	2,905	2,905
<b>Financial assets at FVTOCI (before ECL):</b>				
Perpetual notes, listed in Hong Kong	(c)	–	20,358	20,358
Perpetual notes, listed outside Hong Kong	(c)	–	21,045	21,045
Debentures, listed in Hong Kong	(c)	–	3,252	3,252
Debentures, listed outside Hong Kong	(c)	–	44,120	44,120
		<b>60,798</b>	<b>91,680</b>	<b>152,478</b>
		<b>60,798</b>	<b>91,680</b>	<b>152,478</b>

## Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 31 December 2024

### 20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

	Notes	At 30 June 2024 (Audited)		Total HK\$'000
		Level 1 HK\$'000	Level 2 HK\$'000	
Assets				
Financial assets at FVTPL:				
Listed equity securities held for trading				
	(a)	54,263	–	54,263
Unlisted investment fund				
	(b)	–	2,953	2,953
Financial assets at FVTOCI (before ECL):				
Perpetual notes, listed in Hong Kong				
	(c)	–	19,928	19,928
Perpetual notes, listed outside Hong Kong				
	(c)	–	20,902	20,902
Debentures, listed in Hong Kong				
	(c)	–	2,909	2,909
Debentures, listed outside Hong Kong				
	(c)	–	43,701	43,701
		<u>54,263</u>	<u>90,393</u>	<u>144,656</u>

There have been no transfers between levels 1, 2 and 3 in the reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Notes:

(a) Listed equity securities held for trading

The listed equity securities are denominated in Hong Kong dollars. Fair values have been determined by reference to their quoted bid prices at the end of the reporting period.

(b) Unlisted investment fund

The fair value of unlisted investment fund is determined based on their net asset value, representing the fair value of the fund reported by respective fund managers as at the end of the reporting period.

(c) Listed debt securities

The listed debt securities are denominated in United States dollars. Fair values have been determined by reference to their quoted bid prices at the end of the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Financial Highlights

Revenue for the six months ended 31 December 2024 (the “Period 2024”) amounted to HK\$77,685,000 (for the six months ended 31 December 2023 (the “Period 2023”): HK\$78,471,000), 1% decrease as compared with Period 2023.

For property sale, the Period 2024 recorded that an increase of 1.5% in properties sold in Shenzhen as compared with that for Period 2023, amounting HK\$61,798,000 (Period 2023: HK\$60,902,000).

For property leasing, the Period 2024 recorded that a decrease of 6.5% in rental income as compared with that for Period 2023, amounting HK\$15,887,000 (Period 2023: HK\$16,993,000).

Gross profit for the Period 2024 amounted to HK\$57,117,000, as compared with gross profit of HK\$59,717,000 for Period 2023.

Other income increased by 39.3% to HK\$14,839,000 for Period 2024 as compared with that for Period 2023. The other income for the Period 2024 were mainly attributed to dividend income and interest income. Positive change in fair value of financial assets at fair value through profit or loss amounted to HK\$6,487,000 (Period 2023: Negative change in fair value of HK\$1,397,000). Negative change in fair value of investment properties amounted to HK\$22,242,000 (Period 2023: HK\$41,366,000). Administrative expenses increased by 0.9% to HK\$28,613,000 as compared with that of Period 2023. Finance costs increased by 145.5% to HK\$30,317,000 as compared with Period 2023 (Period 2023: HK\$12,351,000). The increase was mainly due to increase in interest charges on bank loans during the Period 2024. Income tax charge for the Period 2024 was HK\$32,190,000 (Period 2023: income tax credit of HK\$326,385,000 which was mainly due to tax refund).

Loss attributable to owners of the Company for the Period 2024 was HK\$49,518,000 (Period 2023: Profit attributable to owners of the Company HK\$312,911,000). Basic Loss per share was HK\$0.08 (Period 2023: Basic earnings per share was HK\$0.48) and fully diluted loss per share was HK\$0.08 (Period 2023: fully diluted earnings per share was HK\$0.48).

Final dividend of HK4.0 cents per share for the year ended 30 June 2024 (30 June 2023: HK3.0 cents per share) was paid during the Period 2024.

The Board resolved an interim dividend for Period 2024 of HK2.25 cents (Period 2023: HK2.25 cents) payable in cash. The interim dividend will be dispatched to all shareholders on 14 April 2025.

### **Total Equity Attributable To The Owners Of The Company**

As at 31 December 2024, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$6,616,105,000 (30 June 2024: HK\$6,684,368,000), a decrease of HK\$68,263,000 or 1.0% when compared with 30 June 2024. With the total number of ordinary shares in issue of 652,676,781 as at 31 December 2024 (30 June 2024: 652,676,781 shares), the total equity attributable to the owners of the Company per share was HK\$10.14, representing an decrease of 1.0% compared to HK\$10.24 as at 30 June 2024.

Other than the existing projects and those disclosed in the annual report, the Group did not have any confirmed future plans for material investment or acquiring capital assets.

### **Investment In Financial Assets At Fair Value Through Profit Or Loss And Other Comprehensive Income**

As at 31 December 2024, the fair value of investment in listed securities, fund and perpetual note and debentures amounted to HK\$60,798,000, HK\$2,905,000 and HK\$51,211,000 respectively were classified as the financial assets at fair value through profit or loss and fair value through other comprehensive income. During the Period 2024, the portfolio on listed securities was increased by gain on fair value of HK\$6,535,000 (Period 2023: loss on fair value of HK\$1,397,000). For investment in fund, the loss on fair value was HK\$48,000 (Period 2023: HK\$Nil) during the Period 2024. For perpetual note and debenture, a total of HK\$65,000 (Period 2023: HK\$2,290,000) was redeemed and no expected credit loss (Period 2023: expected credit loss of HK\$382,000) was provided. The investment in financial assets as at 31 December 2024 represented 1.2% (30 June 2024: 1.1%) of the total assets, which formed part of the Group's cash management activities.

### **Equity**

The number of issued ordinary shares as at 31 December 2024 and 30 June 2024 were 652,676,781 and 652,676,781 respectively.

## **Debts And Gearing**

As at 31 December 2024, the Group's bank and other borrowings amounted to HK\$1,152,116,000 (30 June 2024: HK\$1,343,125,000). Cash and bank balances amounted to HK\$640,325,000 (30 June 2024: HK\$881,792,000) and net borrowing of HK\$511,791,000 (30 June 2024: HK\$461,333,000).

Total debts to equity ratio was 17.5% (30 June 2024: 20.2%) and net debts to equity ratio was 7.7% (30 June 2024: 6.9%).

The decrease in the total debt to equity ratio and decrease in net cash and bank balances to equity were mainly due to decrease in bank borrowing and advance from a director during the Period 2024.

As at 31 December 2024, the Group's bank and other borrowings were denominated in Hong Kong dollars. Of the Group's total bank and other borrowings HK\$1,152,116,000, 38.9%, and 61.1% were repayable within 1 year and 2 to 5 years respectively by reference to the repayment on demand clause based on scheduled repayments of the loan agreement. The Group's bank and other borrowings carried interest rates by reference to Hong Kong Interbank Offer Rate ("HIBOR.") and Prime Rate.

## **Pledge Of Assets**

As at 31 December 2024, the Group's investment properties and land and building with carrying value of HK\$2,529,747,000 (30 June 2024: HK\$2,546,738,000) and HK\$176,650,000 (30 June 2024: HK\$186,254,000) were pledged to secure general banking facilities of the Group.

## **Finance Costs**

Financial costs included interest expenses on bank and other loans, arrangement, facility and commitment fee expenses. Interest expenses for the Period 2024 amounted to HK\$30,317,000, representing 145.5% increase over the interest expenses of HK\$12,351,000 recorded for Period 2023. The increase in interest expense was mainly due to the combined effect of increase in bank loans interest and other borrowing cost during Period 2024. The average interest rate over the period under review was 4.9% (2023: 4.5%) which was expressed as a percentage of total interest expenses over the average total borrowing.

## **Property Valuation**

A property valuation has been carried out by Messrs. Roma Appraisals Limited and K.T. Liu Surveyors Limited in respect of the Group's investment properties and certain property, plant and equipment as at 31 December 2024 and that valuation was used in preparing financial statements for Period 2024. The Group's investment properties and investment properties under development were valued at HK\$3,448,285,000 and HK\$1,911,614,000 respectively making the total HK\$5,359,899,000 (30 June 2024: investment properties and investment properties under development were valued at HK\$3,512,769,000 and HK\$1,852,298,000 making the total HK\$5,365,067,000). The decrease in fair value of approximately HK\$22,242,000 was debited to the income statement for the Period. The Group's land and building held for a director's quarter carried at fair value were valued at HK\$176,560,000 (30 June 2024: HK\$186,254,000). The decrease in fair value of HK\$1,863,000 for the Period 2024 were recorded in property revaluation reserves. Properties under development for sale of the Group were stated at lower of cost or net realisable value in the financial statements.

## **RISK MANAGEMENT**

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control the various types of risk it faces. This is supplemented by active management involvement and effective internal controls in the best interests of the Group.

## **REMUNERATION POLICIES AND SHARE OPTION SCHEME**

As at 31 December 2024, the Group employed a total of 44 (as at 30 June 2024: 47) staff.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary, year end double pay and year end discretionary bonus based on market conditions and individual performance. The Executive Directors continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted by the Company.

## **FINANCIAL KEY PERFORMANCE INDICATOR**

### **Profit Attributable To Owners Of The Company and Earnings Per Share**

The Company uses the profit attributable to owners of the company and earnings per share as the Group's as the financial key performance indicator. The Company's aim to increase the Group's profit attributable to owners of the company and earnings per share. We compare the profit against the previous period as a measure of the performance. Detail refer to Financial Highlight section.

## **INTERNAL CONTROL**

The Group has appointed external professional firm to perform periodic review on the internal control of the Group. For the year ended 30 June 2024, review has completed and some minor weakness have been identified. The Group will carry out necessary procedures to improve these control weaknesses.

## **ENVIRONMENTAL POLICIES AND COMPLIANCE**

Our environmental policy is to meet all the environmental legislations which relate to our operation.

A review on the performance on our environmental policy has been carried out.

## **KEY RELATIONSHIPS**

### **Relationships with vendors**

We have established relationships with numbers of suppliers for the construction and renovation work in Hong Kong, PRC and Malaysia. Other than one supplier relating to our construction work which recently has financial problem, the work originally carried by the contractor has been reassigned to other contractor. Other than this, there is no major events affecting our relationships with our suppliers.

### **Relationships with customers**

Our sale and leasing team maintain good relationship with our customers especially our tenants.

### **Relationships with employees**

During the Period, we are not aware of any major event affecting our relationships with our employees.

## **BUSINESS REVIEW**

### **Hong Kong Properties**

**1. *One Kowloon Peak, No. 8 Po Fung Terrace, Ting Kau, Tsuen Wan***

The marketing for rental of the remaining units in Phase 1 is still in progress and has achieved satisfactory results.

**2. *Villa Cecil Phase II, 192 Victoria Road, Pokfulam***

The occupancy rate maintained at 60%.

**3. *Villa Cecil Phase III, 216 Victoria Road, Pokfulam***

The occupancy rate of the two blocks has reached 75% which contributed good rental income to the Group.

**4. *Cheuk Nang Lookout, 30 Severn Road, The Peak***

The public tender of Villa Crocus has commenced on 11 November 2024 and ended on 24 February 2025. No tender submission was received on the deadline but we have received two written offers to buy which we are actively considering.

**5. *New Villa Cecil, 33 Cheung Chau Sai Tai Road, Cheung Chau***

Over 30% of the villas in Phase 1 are leased out. The construction work of Phase 2 and the overall site improvement work are in progress and nearly completed.

### **China Properties**

#### ***Cheuk Nang Garden***

*Longhwa, Shenzhen*

The Sales campaign still continues. Up till now, a total of 807 units were sold and the sales amount to RMB3.96 billion.

#### ***Cheuk Nang • Riverside***

*Yue Hang Qu, Hangzhou*

The construction work of the entire project has been substantially completed, and the planning acceptance has been approved. However, the building acceptance and the property certificate for strata ownership have not yet been completed.

### **Macau Properties**

#### ***Golden Cotai No. 1***

*Estrada de Seac Pai Van, Coloane*

We have made an appeal to The Chief Executive of Macau on 12 February 2025 to appeal for the land marked “A2” and “B2” and development proposal in respect of the land without “A2” and “B2” are still in preparation Up to the present moment, no reply was received from the Chief Executive.



## **Malaysia Properties**

### ***Phase I “Parkview”***

*Lot 1359, Section 57, Lorong Perak, Kuala Lumpur*

The occupancy of the serviced apartments currently is increased to 80%, and upgrading the property to improve the occupancy is still in progress.

### ***Phase II “Cecil Central Residence”***

*Lot 11385 and 11386, Section 57, Lorong Perak, Kuala Lumpur*

Tendering of the project was commenced on 28 October 2024 and ended on 20 January 2025. During the period, seven intended purchasers have purchased the tender documents, however, no tender submission was received at the deadline.

## **INVESTMENT IN BONDS, STOCK AND FUND**

The investment in Bond market as at 31 December 2024 was HK\$51,211,000. During Period 2024, a total of HK\$65,000 was redeemed and no Bond was purchased.

The market price of our investment in the Hong Kong stocks as at 31 December 2024 was HK\$60,798,000. During Period 2024, no stock was purchased and sold.

The investment in Fund as at 31 December 2024 was HK\$2,905,000. During Period 2024, no fund was purchased and sold.

## **INTERIM DIVIDEND**

The Directors resolved to recommend the payment of an interim dividend of HK2.25 cents (2023: HK2.25 cents) per share payable to those shareholders whose names appeared in the register of members as at the close of business on 28 March 2025. The interim dividend will be paid on 14 April 2025.

## **CLOSURE OF REGISTER**

The register of members of the Company will be closed from 25 March to 28 March 2025 (both days inclusive) during which period no transfers of shares would be effected. In order to qualify for the interim dividend, all transfer of shares together with the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 24 March 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 December 2024.

## **CORPORATE GOVERNANCE**

### **Code on Corporate Governance Practices**

The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders. During the period, the Company had complied with the relevant provisions set out in the Corporate Governance Code based on the principles set out in Appendix C1 to the Listing Rules, save the role and responsibilities of Chairman and the Chief Executive Officer are not separated as we are still looking for suitable person to act as Chief Executive Officer.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company and discussed the auditing, internal controls and financial reporting matters including a review of the unaudited interim results of the Company for the six months ended 31 December 2024.

The interim financial statements for the six months ended 31 December 2024 have not been audited but have been reviewed by the Company's external auditor.

The financial information disclosed above complies with the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted codes of conduct regarding securities transactions by Directors (the “Securities Code”) and relevant employees on terms no less exacting than the required standard set out in the Model Code contained in Appendix C3 of the Listing Rules (“Model Code”) throughout the six months ended 31 December 2024. The Company had also made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code and its code of conduct regarding securities transactions by Directors.

## DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SHARES AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2024, the interests and short positions of the Directors and Chief Executive in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code, were as follows:

Name	Equity	Personal interest	Corporate interests
Chao Sze-Tsung Cecil	Ordinary Shares of	32,573,397 shares	453,408,112 shares
Lee Ding Yue Joseph	Ordinary Shares of	1,765,767 shares	–

*Note:* The shareholdings disclosed by Dr. Cecil Sze-Tsung Chao under the heading “Corporate Interests” in the above represents the shares held by Yan Yin Company Limited and Szehope Securities Company Limited, substantial shareholders of the Company.

The Company did not grant to the Directors, Chief Executive or their associates any right to subscribe for shares in the Company.

Save as disclosed above, none of the Directors or their associates had any interest or short position in the shares of the Company or its subsidiaries as at 31 December 2024 that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the year was the Company, any of its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

By order of the Board  
**HO SAU FUN CONNIE**  
*Company Secretary*

Hong Kong, 28 February 2025