

# Zhongchang International Holdings Group Limited 中昌國際控股集團有限公司

(Incorporated in Bermuda with limited liability)

Stock code : 859

## 2025 INTERIM REPORT



## BOARD OF DIRECTORS

### Executive Directors

Mr. Chen Zhiwei (*Chairman*)  
Ms. Ku Ka Lee (*Chief Executive Officer*)  
Ms. Huang Zhenghong

### Non-executive Directors

Dr. Huang Qiang  
Mr. Wong Chi Keung, Kenjie  
Ms. Yu Dan

### Independent Non-executive Directors

Mr. Liew Fui Kiang  
Mr. Liu Xin  
Mr. Yip Tai Him

## COMMITTEES

### Audit Committee

Mr. Yip Tai Him (*Chairman*)  
Mr. Liu Xin  
Ms. Yu Dan

### Nomination Committee

Mr. Chen Zhiwei (*Chairman*)  
Mr. Liew Fui Kiang  
Mr. Liu Xin

### Remuneration Committee

Mr. Liu Xin (*Chairman*)  
Mr. Wong Chi Keung, Kenjie  
Mr. Yip Tai Him

## AUTHORISED REPRESENTATIVES

Mr. Chen Zhiwei  
Mr. Chow Hok Lim

## COMPANY SECRETARY

Mr. Chow Hok Lim

## AUDITOR

Ernst & Young  
*Certified Public Accountants*

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1701, 17/F  
OfficePlus@Wan Chai  
303 Hennessy Road  
Wan Chai  
Hong Kong

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## PRINCIPAL BANKERS

(*In Alphabetical order*)

Hang Seng Bank Limited  
Nanyang Commercial Bank (China), Limited  
Shanghai Pudong Development Bank Co, Limited  
Hong Kong Branch

## LEGAL ADVISERS

As to Hong Kong law:  
Morgan, Lewis & Bockius

As to Bermuda law:  
Conyers Dill & Pearman

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited  
Canon's Court  
22 Victoria Street  
PO Box HM 1179  
Hamilton HM EX  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## CORPORATE WEBSITE

<http://www.zhongchangintl.hk>

## STOCK CODE

859



# Management Discussion and Analysis

## Overview

During the six months ended 30 June 2025 (the “**Interim Period**”), Zhongchang International Holdings Group Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”)’s revenue was primarily derived from rental income generated from its investment properties in Hong Kong, which are mainly situated at prime retail and shopping locations in Causeway Bay, Hong Kong Island.

The first half of 2025 has been another challenging period in Hong Kong. Global economic uncertainties, geopolitical tension, the changes in consumption patterns of visitors and resident and the persistent drop in consumer sentiment have collectively contributed to the adverse impact on the retail market. The business prospect of the Group has been highly correlated with the retail consumption situation in Hong Kong. Provisional figures released by the Hong Kong Census and Statistics Department showed Hong Kong’s retail sales dropped 3.3 per cent in the first half of 2025 compared with the same period in 2024.

## Property leasing business

During the Interim Period, the Group recorded rental income from investment properties of approximately HK\$14.7 million (six months ended 30 June 2024: approximately HK\$16.9 million). The decrease in rental income was primarily attributable to the negative rental reversion arising from renewal of certain existing tenancy agreements and the decline in the occupancy rate as compared to the corresponding period of last year.

As at 30 June 2025, the investment property portfolio of the Group achieved an occupancy rate (as measured by the percentage of total leased lettable area over the total lettable area of the Group’s portfolio) of approximately 70.6% (31 December 2024: 70.6%). Jardine Center remained as the Group’s core and steady income generator, accounted for approximately 77.0% of the total revenue of the Group during the Interim Period.

During the Interim Period, the Group remained focused on further bolstering the resilience of its core business of property leasing in Hong Kong, particularly in Causeway Bay, in order to preserve its long-term competitiveness and ensure sustainable development in this challenging market. The investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong. During the Interim Period, the tenants of the Group were mainly engaged in catering, beauty parlour and other retailing businesses.



# Management Discussion and Analysis

Set out below is a table summarising the valuation of the investment properties portfolio of the Group in Hong Kong as at the end of the Interim Period and 31 December 2024, and revenue contribution of the investment properties portfolio of the Group in Hong Kong for the Interim Period as compared to that for the six months ended 30 June 2024:

	Valuation of investment properties as at 30 June 2025 HK\$'000	Valuation of investment properties as at 31 December 2024 HK\$'000	Decrease in fair value of investment properties HK\$'000	Revenue for the six months ended 30 June 2025 HK\$'000	Revenue for the six months ended 30 June 2024 HK\$'000	Increase/(decrease) in revenue %
<b>Causeway Bay</b>						
Jardine Center, No.50 Jardine's Bazaar <sup>(1)</sup>	1,257,000	1,270,000	(13,000)	11,308	12,978	(12.9)
Ground Floor and Cockloft Floor, No.38 Jardine's Bazaar <sup>(2)</sup>	68,000	69,000	(1,000)	965	961	0.4
First Floor, Nos.38 and 40 Jardine's Bazaar <sup>(2)</sup>	11,500	11,600	(100)	246	235	4.7
Ground Floor including Cockloft, No.41 Jardine's Bazaar <sup>(2)</sup>	86,000	87,000	(1,000)	1,072	1,071	0.1
Ground Floor, No.57 Jardine's Bazaar <sup>(2)</sup>	97,000	98,000	(1,000)	1,092	1,092	–
<b>Mid-Levels</b>						
Shop No.1 on Ground Floor of K.K. Mansion, Nos.119, 121 & 125 Caine Road <sup>(2)</sup>	46,200	46,500	(300)	–	526	(100.0)
<b>Total</b>	<b>1,565,700</b>	<b>1,582,100</b>	<b>(16,400)</b>	<b>14,683</b>	<b>16,863</b>	<b>(12.9)</b>

<sup>(1)</sup> 24-storey commercial building

<sup>(2)</sup> Street-shop

As at 30 June 2025, the investment properties of the Group were revalued at HK\$1,565.7 million (31 December 2024: HK\$1,582.1 million) by an independent professional valuer. During the Interim Period, the loss in fair value of investment properties of HK\$16.4 million (six months ended 30 June 2024: approximately HK\$12.0 million) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income. The loss in fair value of investment properties was mainly due to challenging macro environment.



# Management Discussion and Analysis

## OUTLOOK

Looking ahead, the difficult economic environment will continue to put pressure on Hong Kong economy in the second half of 2025. While the retail sector continues to adapt to the changes in consumption patterns, the Hong Kong Government's proactive efforts in promoting tourism and mega events, in tandem with the increase in employment earnings and sustained steady growth of the Mainland economy, will help bolster consumption sentiment and support the consumption market. The Group also believes that Hong Kong Government's measures to attract talent and promote Hong Kong as a business headquarters will have a positive impact on the retail market. We will continue enhancing our operational efficiency to ensure agility during the current economic situation.

Under the impact of ongoing uncertainties, the Group will continue to focus on its core business in property leasing and will continue to act with prudence and caution. The business priorities of the Group are to improve its liquidity and financial position. The Group has been continuing negotiating with financial institutions to roll over or to reschedule the loan repayments. The Group will continue with its best effort to adopt prudent capital management and liquidity risk management in order to preserve adequate buffer to meet the challenges ahead.

Looking ahead into second half of 2025, the Group believes that retail leasing is expected to remain stable as domestic consumption and tourist foot traffic improve. Demand will primarily be driven by food and beverage operators catering to the mass-and mid-market segments. Retailers offering affordable goods and services aiming at the local community will comprise a sizable portion of demand for retail space. As the investment properties of the Group are mainly situated in the prime shopping district of Causeway Bay in Hong Kong, the board of directors (the "**Board**") of the Group believes it remains well-paced to capture potential growth opportunities during the recovery of Hong Kong's tourism and retail sector.

## FINANCIAL REVIEW

### Revenue

For the Interim Period, the revenue of the Group amounted to approximately HK\$14.7 million, representing a decrease of approximately 12.9% from approximately HK\$16.9 million recorded in the corresponding period of last year. The decrease in rental income was primarily attributable to the negative rental reversion arising from renewal of certain existing tenancy agreements and the decline in the occupancy rate as compared to the corresponding period of last year.

### Other income

Other income for the Interim Period was approximately HK\$0.01 million (six months ended 30 June 2024: approximately HK\$1.1 million). The decrease was mainly due to (i) decrease in bank interest income and (ii) absence of sundry income during the Interim Period as compared with the corresponding period of last year.

### Staff costs

For the Interim Period, the Group's staff costs amounted to approximately HK\$1.4 million, representing a decrease of approximately 7.5% from approximately HK\$1.5 million recorded in the corresponding period of last year. The decrease in staff costs was mainly due to departures of certain staff during the Interim Period.

# Management Discussion and Analysis

## Other operating expenses

Other operating expenses amounted to approximately HK\$2.3 million for the Interim Period, representing an increase of approximately 4.0% from approximately HK\$2.2 million recorded in the same period of last year. Other operating expenses mainly comprised of investment properties operating costs, professional fees and general administrative costs.

## Net loss in fair value of investment properties

As at 30 June 2025, the investment properties of the Group were revalued at HK\$1,565.7 million (31 December 2024: HK\$1,582.1 million) by an independent professional valuer. During the Interim Period, a fair value loss on investment properties of HK\$16.4 million was recognised in the condensed consolidated statement of profit or loss and other comprehensive income. The fair value loss on the investment properties was primarily due to challenging macro environment.

## Finance costs

For the Interim Period, finance costs of the Group amounted to approximately HK\$25.0 million, representing a decrease of approximately 3.0% from approximately HK\$25.8 million recorded in the corresponding period of last year. Such decrease was mainly attributable to the decrease in bank loan interest rate during the Interim Period.

## Loss for the period attributable to the owners of the Company

Loss for the period attributable to the owners of the Company for the Interim Period amounted to approximately HK\$31.5 million (six months ended 30 June 2024: loss of approximately HK\$26.3 million). As a result of the reasons mention above, the loss for the Interim Period was primarily due to loss in fair value of investment properties of HK\$16.4 million and finance costs of approximately HK\$25.0 million incurred.

## Liquidity and financial resources

The Group's business operations were generally funded by its internal resources and bank and other borrowings. As at 30 June 2025, the Group's outstanding bank and other borrowings amounted to approximately HK\$800.2 million (31 December 2024: approximately HK\$792.0 million), of which all outstanding bank and other borrowings are repayable within one year.

As at 30 June 2025, the Group maintained cash and cash equivalents of approximately HK\$7.7 million (31 December 2024: approximately HK\$16.7 million). The decrease in cash and cash equivalents was mainly attributable to payment of interest on bank borrowings during the Interim Period.

The Group's gearing ratio as at 30 June 2025, which is calculated on the basis of total liabilities over total assets, was approximately 52.8% (31 December 2024: approximately 51.5%). The current ratio of the Group, which is calculated by dividing current assets over current liabilities as at 30 June 2025, was approximately 0.01 (31 December 2024: approximately 0.02). The decrease in current ratio as at 30 June 2025 as compared to 31 December 2024 was mainly due to the decrease in cash and bank balances of the Group.



# Management Discussion and Analysis

As at 30 June 2025, the Group recorded net current liabilities of approximately HK\$800.8 million (31 December 2024: approximately HK\$787.5 million). The net current liabilities were mainly due to maturity of the Group's bank and other borrowings which were repayable within one year. The maturity date of bank borrowings in principal amount of approximately HK\$649.8 million was extended from 30 June 2025 to 31 March 2026. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within one year.

## Capital structure

As at 30 June 2025, the issued share capital of the Company was 1,125,027,072 ordinary shares. During the Interim Period, there was no movement of the issued share capital of the Company.

As at 30 June 2025, the unaudited net assets of the Group amounted to approximately HK\$745.3 million, representing a decrease of approximately 4.0% from the net assets of approximately HK\$776.7 million as at 31 December 2024. With the total number of 1,125,027,072 ordinary shares in issue as at 30 June 2025, the net assets value per share was approximately HK\$0.66 (31 December 2024: approximately HK\$0.69).

## Treasury Policy

The Group's transactions and its monetary assets and liabilities are principally denominated in HK\$ and RMB. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

## INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the Interim Period (six months ended 30 June 2024: Nil).

## CORPORATE GUARANTEE

As at 30 June 2025, the Company provided corporate guarantee to a bank for securing banking facilities granted to its subsidiaries which amounted to HK\$1,127 million (31 December 2024: HK\$1,127 million).

# Management Discussion and Analysis

## CHARGES ON GROUP ASSETS

As at 30 June 2025, the Group has pledged the following assets:

- (a) Investment properties in Hong Kong with an aggregate carrying amount of HK\$1,565.7 million for securing the Group's bank borrowings;
- (b) Share mortgage of certain subsidiaries for securing their respective bank borrowings; and
- (c) Rent assignments in respect of the investment properties held by the Group.

## CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had 3 employees (31 December 2024: 5 employees). The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job responsibilities. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus and mandatory provident fund schemes.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have significant investments, material acquisitions and disposals during the Interim Period.

## EVENT AFTER THE REPORTING PERIOD

No significant events have been taken place subsequent since 30 June 2025 and up to the date of this report.

## NO MATERIAL CHANGES

Since the publication of our audited financial statements for the year ended 31 December 2024 on 28 March 2025, there have been no material changes to our business.



# Additional Information Required under the Listing Rules

## SHARE OPTION SCHEME

During the Interim Period, the Group did not have any share option scheme.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or 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 or short positions which they were 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 under Section 352 of the SFO, or which were required and pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executives of the Company, as at 30 June 2025, persons, shareholders, who 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 (the “Register”) or had otherwise notified to the Company and the Stock Exchange were as follows:

Name of substantial shareholder	Capacity and nature of interest	As at 30 June 2025	
		Number of Shares and underlying Shares interested L (long position) S (short position)	Approximate percentage of issued share capital of the Company (Note 1)
China Cinda (HK) Asset Management Co., Limited <sup>(2)(3)</sup>	Beneficial owner	L – 843,585,747	74.98%
Bonds & Sons Holdings Limited <sup>(4)</sup>	Beneficial owner	L – 111,642,295	9.93%
Bonds & Sons International Limited <sup>(4)</sup>	Interest in controlled corporation	L – 111,642,295	9.93%
Bonds Chan Family Holdings (PTC) Ltd. <sup>(4)</sup>	Interest in controlled corporation	L – 111,642,295	9.93%
China Cinda Asset Management Co., Ltd. <sup>(2)(3)</sup>	Interest in controlled corporation	L – 843,585,747	74.98%
Central Huijin Investment Limited (“Huijin”) <sup>(5)</sup>	Interest in controlled corporation	L – 843,585,747	74.98%

## Additional Information Required under the Listing Rules

### Notes:

- (1) Based on 1,125,027,072 ordinary shares of the Company in issue at 30 June 2025.
- (2) China Cinda (HK) Asset Management Co., Limited is the beneficial owner of 843,585,747 shares.
- (3) China Cinda Asset Management Co., Ltd. controlled 100% of China Cinda (HK) Holdings Company Limited, which is the sole shareholder of China Cinda (HK) Asset Management Co., Limited and is deemed under the SFO to be interested in the 843,585,747 Shares held by China Cinda (HK) Asset Management Co., Limited.
- (4) To the best knowledge, information and belief of the Directors, Bonds & Sons Holdings Limited is 100% controlled by Bonds & Sons International Limited, which is in turn 100% controlled by Bonds Chan Family Holdings (PTC) Ltd. Accordingly, Bonds Chan Family Holdings (PTC) Ltd. and Bonds & Sons International Limited are deemed under the SFO to be interested in the 111,642,295 Shares held by Bonds & Sons Holdings Limited.
- (5) As per the Corporate Substantial Shareholder Notice filed by Huijin with the Hong Kong Stock Exchange on 14 February 2025, Huijin is deemed to hold interest in shares of the Company owned by China Cinda Asset Management Co., Limited.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any person 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.

# Additional Information Required under the Listing Rules

## CHANGE OF DIRECTORS' INFORMATION

During the Interim Period, there is no change in the information of the director of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted a corporate governance code prepared based on the code provisions (the “**Code Provisions**”) of the latest code on corporate governance (the “**CG Code**”) as set out in Appendix C1 to Listing Rules from time to time as the guidelines for corporate governance of the Company. The Company has complied with the CG Code throughout Interim Period.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all the Directors have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the Interim Period.

## REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (“**Audit Committee**”) comprises two independent non-executive Directors, namely, Mr. Yip Tai Him (Chairman) and Mr. Liu Xin, and one non-executive Director, namely, Ms. Yu Dan. This unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 have been reviewed with no disagreement by the Audit Committee.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Interim Period.

By order of the Board  
**Zhongchang International Holdings Group Limited**  
**Chen Zhiwei**  
*Chairman and Executive director*

Hong Kong, 29 August 2025

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Unaudited	
		Six months ended	Six months ended
		30 June 2025	30 June 2024
	Notes	HK\$'000	HK\$'000
Revenue	4	14,683	16,863
Other income, net	5	10	1,115
Net loss in fair value of investment properties	11	16,400	(12,016)
Staff costs	6	(1,386)	(1,498)
Depreciation of property, plant and equipment	6	—	(17)
Depreciation of right-of-use assets	6	(428)	(428)
Other operating expenses		(2,275)	(2,187)
(Loss)/profit from operations	6	(5,796)	1,832
Finance costs	7	(25,013)	(25,795)
Loss before tax		(30,809)	(23,963)
Income tax expense	8	(657)	(2,366)
<b>Loss for the period</b>		<b>(31,466)</b>	<b>(26,329)</b>
<b>Other comprehensive income/(loss), net of tax</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating foreign operations		74	(36)
Other comprehensive income/(loss) for the period, net of tax		74	(36)
<b>Total comprehensive loss for the period</b>		<b>(31,392)</b>	<b>(26,365)</b>
<b>Loss for the period attributable to the owners of the Company</b>		<b>(31,466)</b>	<b>(26,329)</b>
<b>Total comprehensive loss for the period attributable to the owners of the Company</b>		<b>(31,392)</b>	<b>(26,365)</b>
<b>Loss per share attributable to ordinary equity holders of the Company</b>			
Basic and diluted			
– For loss for the period (in HK cents)	10	(2.80)	(2.34)

# Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Right-of-use assets		214	642
Investment properties	11	1,565,700	1,582,100
		<b>1,565,914</b>	<b>1,582,742</b>
<b>Current assets</b>			
Trade and other receivables, deposits and prepayments	12	3,287	2,064
Tax recoverables		503	377
Cash and cash equivalents		7,731	16,738
		<b>11,521</b>	<b>19,179</b>
<b>Current liabilities</b>			
Other payables, deposits and accrued expenses	13	8,086	10,171
Lease liabilities		239	702
Interest-bearing bank and other borrowings	14	800,225	792,028
Tax payables		3,803	3,803
		<b>812,353</b>	<b>806,704</b>
<b>Net current liabilities</b>		<b>(800,832)</b>	<b>(787,525)</b>
<b>Total assets less current liabilities</b>		<b>765,082</b>	<b>795,217</b>
<b>Non-current liabilities</b>			
Other payables and deposits	13	5,169	4,607
Deferred tax liabilities		14,620	13,925
		<b>19,789</b>	<b>18,532</b>
<b>Net assets</b>		<b>745,293</b>	<b>776,685</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	15	112,502	112,502
Reserves	16	632,791	664,183
<b>Total equity</b>		<b>745,293</b>	<b>776,685</b>



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to the owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note 16)	Exchange reserve HK\$'000 (Note 16)	Contributions from shareholders HK\$'000 (Note 16)	Other reserve HK\$'000	Retained profits HK\$'000	
At 1 January 2025	112,502	168,300	9,628	(12,494)	233,606	5,619	259,524	776,685
Loss for the period	-	-	-	-	-	-	(31,466)	(31,466)
Other comprehensive income, net of tax: Items that may be reclassified subsequently to profit or loss: Exchange difference on translating foreign operations	-	-	-	74	-	-	-	74
Total comprehensive loss for the period	-	-	-	74	-	-	(31,466)	(31,392)
At 30 June 2025 (Unaudited)	112,502	168,300*	9,628*	(12,420)	233,606*	5,619*	228,058	745,293

\* These reserve accounts comprise the consolidated reserves of HK\$632,791,000 in the condensed consolidated statement of financial position.

	Attributable to the owners of the Company							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note 16)	Exchange reserve HK\$'000 (Note 16)	Contributions from shareholders HK\$'000 (Note 16)	Other reserve HK\$'000	Retained profits HK\$'000	
At 1 January 2024	112,502	168,300	9,628	(12,388)	233,606	5,619	436,267	953,534
Loss for the period	-	-	-	-	-	-	(26,329)	(26,329)
Other comprehensive loss, net of tax: Items that may be reclassified subsequently to profit or loss: Exchange difference on translating foreign operations	-	-	-	(36)	-	-	-	(36)
Total comprehensive loss for the period	-	-	-	(36)	-	-	(26,329)	(26,365)
At 30 June 2024 (Unaudited)	112,502	168,300	9,628	(12,424)	233,606	5,619	409,938	927,169

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Unaudited	
	Six months ended 30 June 2025 HK\$'000	Six months ended 30 June 2024 HK\$'000
<b>Net cash flows from operating activities</b>	<b>8,189</b>	12,370
<b>Cash flows from investing activities</b>		
Additions to investment properties	–	(316)
Interest received	9	265
<b>Net cash flows from/(used in) investing activities</b>	<b>9</b>	(51)
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	–	(100,000)
Repayment of lease liabilities	(484)	(484)
Interests paid	(16,795)	(19,711)
<b>Net cash used in financing activities</b>	<b>(17,279)</b>	(120,195)
<b>Net decrease in cash and cash equivalents</b>	<b>(9,081)</b>	(107,876)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,738</b>	123,047
Effect of foreign exchange rate changes	74	(36)
<b>Cash and cash equivalents at the end of the period</b>	<b>7,731</b>	15,135
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	7,731	7,626
Non-pledged time deposits with original maturity of less than three months	–	7,509
	<b>7,731</b>	15,135

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 16 December 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended).

The Company acts as an investment holding company and the principal activities of the Group are leasing of investment properties in Hong Kong.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The registered office and the principal place of business of the Company are disclosed in the corporate information section of this interim report.

The functional currency of the Company is Hong Kong Dollars ("HK\$") and the functional currency of its operation in the PRC is Renminbi ("RMB"). The condensed consolidated financial statements are presented in HK\$, unless otherwise stated. The condensed consolidated financial statements has not been audited.

## 2. BASIS OF PREPARATION

### Statement of compliance

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting* and the applicable disclosures required by the Rules Governing the Listing on Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial statements does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

### Going concern

As at 30 June 2025, the Group's total current liabilities exceeded its total current assets by approximately HK\$800,832,000 (31 December 2024: approximately HK\$787,525,000). The Directors considered that the controlling shareholder has intention to provide continuing financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due. Accordingly, the Directors believe that the Group has adequate resources to continue its operations in the foreseeable future of not less than 12 months from the end of the reporting period. Therefore, they are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial statements.

Amendments to HKAS 21

*Lack of Exchangeability*

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

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

## 4. REVENUE AND SEGMENT INFORMATION

Revenue represents gross rental income from investment properties in Hong Kong.

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the Directors, being the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance.

The Group's operating and reportable segment under HKFRS 8 *Operating Segments* is property investment – leasing of investment properties in Hong Kong. Accordingly, no operating segment is presented.

## 5. OTHER INCOME, NET

	Unaudited	
	Six months	Six months
	ended	ended
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
Bank interest income	9	265
Exchange gain, net	–	20
Sundry income	1	830
	10	1,115

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 6. LOSS FROM OPERATIONS

	Unaudited	
	Six months	Six months
	ended	ended
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
The Group's loss from operations is arrived at after charging/(crediting):		
Directors' emoluments	270	270
Other staff costs	1,116	1,228
Total staff costs	1,386	1,498
Depreciation of property, plant and equipment	–	17
Depreciation of right-of-use assets	428	428
Gross rental income from investment properties	(14,683)	(16,863)
Less: Direct operating expenses from investment properties that generated rental income during the period	1,458	1,234
	(13,225)	(15,629)

## 7. FINANCE COSTS

	Unaudited	
	Six months	Six months
	ended	ended
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
Interest on bank and other borrowings	24,992	25,738
Interest on lease liabilities	21	57
	25,013	25,795



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 8. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June 2025	Six months ended 30 June 2024
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax		
– Provision for the period	–	1,693
– Over-provision in prior years	(38)	–
	(38)	1,693
Deferred taxation		
– Charged to the condensed consolidated statement of profit or loss and other comprehensive income	695	673
	657	2,366

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 June 2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2024: 16.5%).

Under the law of the PRC on EIT (the “EIT Law”) and implementation regulation of the EIT Law, the PRC subsidiaries of the Group are subjected to PRC EIT of a rate of 25%.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 9. INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the Interim Period (six months ended 30 June 2024: Nil).

## 10. LOSS PER SHARE

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

	Unaudited	
	Six months ended	Six months ended
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000

### Loss

Loss attributable to ordinary equity holders of the Company  
used in the basic and diluted loss per share

(31,466)

(26,329)

	Six months ended	Six months ended
	30 June	30 June
	2025	2024
	'000	'000

### Number of shares

Weighted average number of ordinary shares for the  
purpose of basic and diluted loss per share

1,125,027

1,125,027

For the six months ended 30 June 2025 and 2024, the diluted loss per share is the same as the basic loss per share. The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 11. INVESTMENT PROPERTIES

		Completed investment properties, in Hong Kong HK\$'000
<b>FAIR VALUE:</b>		
At 1 January 2025		1,582,100
Net loss in fair value recognised in the condensed consolidated statement of profit or loss and other comprehensive income		(16,400)
<b>At 30 June 2025 (Unaudited)</b>		<b>1,565,700</b>

The fair value of the Group's investment properties as at 30 June 2025 was determined by valuations carried out by Vincorn Consulting and Appraisal Limited (31 December 2024: Vincorn Consulting and Appraisal Limited), an independent qualified professional valuer not connected to the Group.

The responsible valuers of Vincorn Consulting and Appraisal Limited are members of the Hong Kong Institute of Surveyors, and it has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on (i) the sales comparison approach, which involves an analysis of sales transactions of comparable properties within the neighbourhood area of the properties; and (ii) the income capitalisation approach, which involves estimating the rental incomes of the properties and capitalising them all on an appropriate rate to produce a capital value.

There have been no changes to the valuation techniques during the Interim Period.

The resulting decrease in fair value of investment properties of HK\$16,400,000 (six months ended 30 June 2024: approximately HK\$12,016,000) has been recognised directly in the condensed consolidated statement of profit or loss and other comprehensive income for the Interim Period.

As at 30 June 2025, investment properties with a carrying amount in aggregate of HK\$1,565,700,000 (31 December 2024: HK\$1,582,100,000) were pledged as collateral for the Group's bank borrowings.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Rental receivables, net of allowance for credit losses (Note (i))	781	84
Other receivables, deposits and prepayments, net of allowance for credit losses (Note (ii))	2,506	1,980
	<b>3,287</b>	<b>2,064</b>

Notes:

- (i) The amount represents rental receivables for leasing of investment properties.

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. The collection is closely monitored to minimise any credit risk associated with these rental receivables.

The ageing analysis of the Group's rental receivables is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0 to 30 days	351	23
31 to 60 days	259	20
61 to 90 days	105	21
91 to 180 days	66	20
	<b>781</b>	<b>84</b>

Rental receivables that were past due but not impaired relate to a number of independent tenants that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes (Continued):

(ii) The amount represents other receivables, deposits and prepayments:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Prepayments	209	35
Deposits and other receivables	276,867	272,377
Prepaid tax	14	14
	<b>277,090</b>	<b>272,426</b>
Less: Allowance for credit losses	<b>(274,584)</b>	<b>(270,446)</b>
	<b>2,506</b>	<b>1,980</b>

The movements in the allowance for credit losses of other receivables, deposits and prepayments are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
At 1 January	270,446	276,158
Impairment loss, net	—	162
Exchange realignment	4,138	(5,874)
	<b>274,584</b>	<b>270,446</b>

## 13. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Rental deposits received	8,780	9,123
Other payables and accrued expenses	4,220	5,440
	<b>13,000</b>	<b>14,563</b>
Contract liabilities (Note)	255	215
	<b>13,255</b>	<b>14,778</b>
Analysed into:		
Non-current portion	5,169	4,607
Current portion	8,086	10,171
	<b>13,255</b>	<b>14,778</b>



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 13. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES (Continued)

Note:

Details of contract liabilities are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Short-term advance payments received from tenants	255	215

Contract liabilities include short-term advance payments received from tenants, which is related to advance rental payments from tenants at the end of the reporting period.

## 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Effective interest rate	Maturity	HK\$'000	Effective interest rate	Maturity	HK\$'000
<b>Current</b>	<b>HIBOR plus</b>	<b>31 March</b>		<b>HIBOR plus</b>		
Bank loans – secured	1.25%	2026	650,371	1.25%	On demand	649,910
		31 December			31 December	
Other loans – unsecured	12%	2025	149,854	12%	2025	142,118
			800,225			792,028

The carrying amount of the above bank and other borrowings are repayable as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
On demand or within one year	800,225	792,028

As at 30 June 2025, interest payable of approximately HK\$20,416,000 (31 December 2024: approximately HK\$12,218,000) was included in bank and other borrowings.

The bank borrowings are secured by the Group's assets which were set out in the section "Charges on Group Assets" of this interim report.

Details of corporate guarantees of the Group were set out in the section "Corporate Guarantee" of this interim report.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 15. SHARE CAPITAL

	Number of shares		Amount	
	30 June 2025 '000	31 December 2024 '000	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Authorised:				
Ordinary of shares of HK\$0.10 each	2,000,000	2,000,000	200,000	200,000
Issued and fully paid	1,125,027	1,125,027	112,502	112,502

## 16. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the condensed consolidated statement of changes in equity on page 13 of this interim report.

### Special reserve

The special reserve represents the offsetting of the share premium of the subsidiary acquired against the excess of the nominal value of that subsidiary's shares and the nominal value of the shares issued by the Company in exchange thereof under the Group reorganisation in April 2000.

### Exchange reserve

Exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy adopted for exchange reserve.

### Contribution from shareholders

The contributions from shareholders represent the aggregation of discount on acquisitions of an indirect wholly-owned subsidiary, Uptodate Management Limited with the amount of approximately HK\$233,606,000 from the former controlling shareholder – Mr. Ng Chun For, Henry.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 17. FINANCIAL RISK MANAGEMENT

### Fair values measurements of financial instruments

- (i) **Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000			
<b>Financial assets</b>					
Financial assets at fair value through profit or loss	—	—	Level 3	Net asset value	N/A (note)

Note:

The Group has determined that the net asset value represents fair value at the end of the reporting period.

#### Fair value hierarchy as at 30 June 2025

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	—	—	—	—

#### Fair value hierarchy as at 31 December 2024

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	—	—	—	—

There were no transfers between Level 1 and 2 during the Interim Period.

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 17. FINANCIAL RISK MANAGEMENT (Continued)

### Fair values measurements of financial instruments (Continued)

- (ii) **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

The fair values of financial assets and financial liabilities are determined as follows:

- (a) the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- (b) the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate to their fair values.

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Carrying amount HK\$'000	Fair value HK\$'000	Carrying amount HK\$'000	Fair value HK\$'000
<b>Financial liabilities</b>				
Interest-bearing bank borrowings	650,371	650,371	649,910	649,910
Interest-bearing other borrowings (other than lease liabilities)	149,854	149,854	142,118	142,118
	<b>800,225</b>	<b>800,225</b>	792,028	792,028

# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 18. OPERATING LEASES

### The Group as lessor

The Group leases its investment properties (Note 11) consisting of commercial properties in Hong Kong under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

Rental income recognised by the Group for the Interim Period was approximately HK\$14,683,000 (six months ended 30 June 2024: approximately HK\$16,863,000), details of which are included in Note 4 to the financial statements.

At 30 June 2025 and 31 December 2024, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Within one year	21,723	20,392
After one year but within two years	9,781	8,518
After two years but within three years	5,562	3,276
After three years but within four years	2,559	1,186
After four years but within five years	296	–
	<b>39,921</b>	<b>33,372</b>

## 19. MATERIAL RELATED PARTY TRANSACTIONS

Pursuant to a loan agreement entered into between China Cinda (HK) Asset Management Co., Limited (“**China Cinda (HK)**”) and the Company on 28 December 2023 (the “**Loan Agreement**”), China Cinda (HK) agreed to grant an unsecured loan facility to the Company in the principal amount of up to HK\$130 million at simple interest rate of 12% per annum to 31 December 2025.

Under the aforementioned Loan Agreement, as at 30 December 2024, China Cinda (HK) granted the Company a loan in aggregate of HK\$130,000,000, with a simple interest rate of 12% per annum to 31 December 2025. As at 30 June 2025, the outstanding balance of the loan principal and interest was approximately HK\$149,854,000 (31 December 2024: approximately HK\$142,118,000).

Save as disclosed above and those disclosed elsewhere in the consolidated financial statements, the Group had no material outstanding balances with related parties as at 30 June 2025 and 31 December 2024.



# Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

## 20. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following significant commitments:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000

Contracted, but not provided for:

Capital contribution to a limited partnership	41,121	40,495
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All previous capital contribution into the above limited partnership has been written off since 31 December 2019. The Group currently has no intention to continue with the above limited partnership's business.