

DEVGREAT

DEVGREAT GROUP LIMITED

大方廣瑞德集團有限公司

(incorporated in Bermuda with limited liability)

Stock Code : 00755

2025

INTERIM REPORT

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BOARD AND COMMITTEES

BOARD

Executive Directors

Ms. Li Zhen
(Chairman & Chief Executive Officer)
Mr. Long Tianyu
Mr. Pi Minjie
Mr. Huang Yuhui
(resigned on 25 June 2025)
Mr. Wang Letian
(retired on 27 June 2025)

Non-executive Directors

Mr. Zou Yang
Ms. Wang Zheng
(retired on 27 June 2025)
Mr. Guo Haomiao
(retired on 27 June 2025)

Independent non-executive Directors

Dr. Guan Huanfei
Mr. Cao Hailiang
Dr. Lin Xinzhu
Mr. Wang Yuzhou

COMMITTEES

Audit Committee

Mr. Wang Yuzhou *(Chairman)*
Dr. Guan Huanfei
Mr. Cao Hailiang
Dr. Lin Xinzhu

Remuneration Committee

Mr. Cao Hailiang *(Chairman)*
Ms. Li Zhen
Dr. Lin Xinzhu
Mr. Wang Yuzhou
Mr. Wang Letian
(retired on 27 June 2025)

Nomination Committee

Ms. Li Zhen *(Chairman)*
(appointed on 18 July 2025)
Dr. Guan Huanfei
Mr. Cao Hailiang
Dr. Lin Xinzhu
Mr. Huang Yuhui
(resigned on 25 June 2025)
Mr. Wang Letian
(retired on 27 June 2025)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Notes</i>	Unaudited	
		Six months ended 30 June	
		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations			
Revenue	6	51,434	102,795
Cost of revenue		(35,602)	(62,312)
Gross profit		15,832	40,483
Other income, gains and expenses		3,216	42,341
Gain on disposal of a subsidiary		—	41,863
Loss on deconsolidation of a subsidiary		—	(34,737)
Net reversal of impairment losses on financial assets		—	6,422
Provision for financial guarantees	17	—	(374,885)
Selling and marketing expenses		(6,112)	(9,948)
Administrative expenses		(16,587)	(28,764)
Change in fair value of investment properties	11	—	(202,869)
Finance costs	7	(12,738)	(102,645)
Loss before income tax		(16,389)	(622,739)
Income tax credit	8	—	49,765
Loss for the period from continuing operations		(16,389)	(572,974)

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT – CONTINUED

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
Discontinued operations			
Profit for the period from discontinued operations	22	–	17,413
Loss for the period		(16,389)	(555,561)
Loss for the period attributable to:			
– Owners of the Company		(16,389)	(552,529)
– Non-controlling interests		–	(3,032)
		(16,389)	(555,561)
(Loss)/profit attributable to owners of the Company arises from:			
– Continuing operations		(16,389)	(569,942)
– Discontinued operations		–	17,413
		(16,389)	(552,529)
(Restated)			
(Loss)/earnings per share attributable to owners of the Company			
Basic and diluted			
– From continuing operations	10	HK\$(0.10)	HK\$(3.83)
– From discontinued operations	10	–	HK\$0.12
		HK\$(0.10)	HK\$(3.71)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Unaudited	
		Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Loss for the period		(16,389)	(555,561)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		9,653	(27,190)
Exchange differences arising on translation of discontinued operations	22	—	1,119
Release of exchange reserve upon disposal of a subsidiary		—	(9,403)
		9,653	(35,474)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI"), net of tax		—	(61,304)
Other comprehensive income/(loss) for the period, net of tax		9,653	(96,778)
Total comprehensive loss for the period		(6,736)	(652,339)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – CONTINUED

	Unaudited	
	Six months ended 30 June	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Notes</i>		
Total comprehensive loss for the period attributable to:		
– Owners of the Company	(6,736)	(649,373)
– Non-controlling interests	–	(2,966)
	<u>(6,736)</u>	<u>(652,339)</u>
Total comprehensive (loss)/income for the period attributable to owners of the Company arises from:		
– Continuing operations	(6,736)	(667,905)
– Discontinued operations	–	18,532
	<u>(6,736)</u>	<u>(649,373)</u>

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		1,597	2,061
Investment properties	11	258,505	251,351
Amounts due from former subsidiaries	16	319,025	310,197
Properties under development	12	99,875	97,111
Total non-current assets		679,002	660,720
Current assets			
Completed properties held-for-sale	12	99,328	93,017
Trade and other receivables and prepayments	13	48,830	40,093
Deposits for properties under development		13,144	12,780
Amounts due from former subsidiaries	16	–	83,062
Tax prepayments		5,369	4,345
Cash and bank balances		47,848	58,428
Total current assets		214,519	291,725
Total assets		893,521	952,445
EQUITY			
Equity attributable to owners of the Company			
Share capital	21	3,571	297,587
Reserves		2,754,761	2,412,406
Accumulated losses		(2,329,003)	(2,312,614)
Total equity		429,329	397,379

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET – CONTINUED

		Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Borrowings	15	217,459	211,441
Lease liabilities		18,226	22,954
Deferred income tax liabilities		492	479
Other payables		–	8,254
Total non-current liabilities		236,177	243,128
Current liabilities			
Trade and other payables	14	202,888	292,043
Amounts due to former subsidiaries	16	9,271	9,015
Lease liabilities		15,856	10,880
Total current liabilities		228,015	311,938
Total liabilities		464,192	555,066
Total equity and liabilities		893,521	952,445

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Equity attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2025 (audited)	297,587	2,412,406	(2,312,614)	397,379	–	397,379
Loss for the period	–	–	(16,389)	(16,389)	–	(16,389)
Exchange differences arising on translation of foreign operations	–	9,653	–	9,653	–	9,653
Total comprehensive loss for the period	–	9,653	(16,389)	(6,736)	–	(6,736)
Capital reorganisation (Note 21(a))	(294,611)	294,611	–	–	–	–
Issue of new shares (Note 21(b))	595	38,091	–	38,686	–	38,686
	(294,016)	332,702	–	38,686	–	38,686
Balance at 30 June 2025 (unaudited)	3,571	2,754,761	(2,329,003)	429,329	–	429,329
Balance at 1 January 2024 (audited)	297,587	2,385,264	(1,560,314)	1,122,337	126,258	1,248,595
Loss for the period	–	–	(552,329)	(552,529)	(3,032)	(555,561)
Change in fair value of financial assets at FVOCI, net of tax	–	(61,304)	–	(61,304)	–	(61,304)
Exchange differences arising on translation of foreign operations	–	(26,137)	–	(26,137)	66	(26,071)
Release of exchange reserve upon disposal of a subsidiary	–	(9,403)	–	(9,403)	–	(9,403)
Total comprehensive loss for the period	–	(96,844)	(552,329)	(649,373)	(2,966)	(652,339)
Deconsolidation of a subsidiary	–	–	–	–	(62,642)	(62,642)
Balance at 30 June 2024 (unaudited)	297,587	2,288,420	(2,113,043)	472,964	60,650	533,614

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash (outflow)/inflow from operations	(48,601)	91,227
Interest received	22	851
Interest paid	(555)	(74,551)
Net cash (outflow)/inflow from operating activities	(49,134)	17,527
Cash flows from investing activities		
Net cash outflow arising on deconsolidation of a subsidiary	—	(6)
Net cash outflow arising on disposal of a subsidiary	—	(1)
Purchases of property, plant and equipment	(5)	(140)
Net cash outflow from investing activities	(5)	(147)
Cash flows from financing activities		
Repayment of borrowings	—	(14,791)
Principal elements of lease payments	(1,227)	(12,475)
Proceeds from issue of ordinary shares	38,686	—
Net cash inflow/(outflow) from financing activities	37,459	(27,266)
Net decrease in cash and cash equivalents	(11,680)	(9,886)
Cash and cash equivalents at beginning of the period	58,428	122,665
Effect of foreign exchange rate changes	1,100	1,731
Cash and cash equivalents at end of the period	47,848	114,510
Cash and cash equivalents at end of the period		
Representing cash and bank balances as stated in the consolidated statement of financial position	47,848	46,357
Representing cash and bank balances attributable to assets classified as held-for-sale	—	68,153
	47,848	114,510

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

DevGreat Group Limited (formerly known as Shanghai Zendai Property Limited) (the “Company”) is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 2429-2430, 24/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The Company acts as an investment holding company. During the period, its subsidiaries are principally engaged in property development, property investment and provision of property management. The Company and all its subsidiaries are referred to as the Group. The Group has operations mainly in the People's Republic of China (the “PRC”).

These interim condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These interim condensed consolidated financial statements were approved for issue on 26 August 2025 by the board (the “Board”) of directors (the “Directors”).

This interim condensed consolidated financial statements have not been audited but have been reviewed by the audit committee of the Board (the “Audit Committee”) of the Company.

2 BASIS OF PREPARATION

This interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial statements do not include all the notes of the type normally included in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards, and any public announcements made by the Company during the interim reporting period.

2.1 Going concern basis

When preparing the condensed consolidated financial statements, the Group's ability to continue as a going concern has been assessed. These condensed consolidated financial statements have been prepared by the Directors on a going concern basis notwithstanding that the Group incurred a net loss of approximately HK\$16,389,000 for the six months ended 30 June 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$13,496,000. The Directors are of the opinion that the Group will have sufficient funds to meet its financial obligations when they fall due in the foreseeable future taking into account the following: (i) the Group, from time to time, reviews the portfolio of investment properties and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary; (ii) the Group holds several completed properties which are held-for-sale. Sales of these properties will enhance the cash flow and financial position of the Group; (iii) the Group continues to take active measures to control administrative costs and contain capital expenditures. If necessary, the Group will seek alternative financing to fund the settlement of its existing financial obligations and future operating expenditure; and (iv) the Group continuously adjusts its property development plans based on market conditions and policy directions. If market conditions are favorable, the property development projects may resume, and upon completion, these projects are expected to enhance the Group's cash flow and financial position.

2 BASIS OF PREPARATION – CONTINUED

2.1 Going concern basis – CONTINUED

After taking into consideration the above factors and funds expected to be generated internally from operations based on the Directors' estimation on the future cash flow of the Group, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the condensed consolidated financial statements to be prepared on a going concern basis because there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively and to provide for any further liabilities which might arise.

3 ACCOUNTING POLICIES

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those of the Group's annual financial statements for the year ended 31 December 2024, as described in those annual financial statements, except for the adoption of amended standards as set out below.

Amended standard adopted by the Group

There are amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2025 and adopted by the Group for the first time in these interim condensed consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability

The adoption of the abovementioned amended standard did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

New and amended standards and annual improvements issued but not yet applied by the Group

Certain new and amended standards and annual improvements have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amended standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 ESTIMATES

The preparation of interim condensed consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2024.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements does not include all financial risk management 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 31 December 2024.

There have been no significant changes in the risk management policies since the year ended 31 December 2024.

5.2 Liquidity risk

Since the last annual financial report, except for the offset of interest payable to an associated company of a shareholder (the "Associated Company") as disclosed in Note 16, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables (excluding prepayments)
- Amounts due from former subsidiaries
- Cash and cash equivalents
- Borrowings
- Trade and other payables (excluding non-financial liabilities)
- Amounts due to former subsidiaries
- Lease liabilities

5.4 Fair value estimation

Since the last annual financial report, there was no material change on the judgements and estimates made by the Group in determining the fair values of the financial instruments and investment properties.

6 SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed by the Directors, being the major body in making operation decisions, for assessing the operating performance and resources allocation.

The Directors considers the business primarily on the basis of the types of goods and services supplied by the Group. The Group is currently mainly organised into two operating segments which comprise (i) sales of properties; and (ii) properties rental, management and agency services.

The hotel operation segment was discontinued during the year ended 31 December 2024. Information about the discontinued operation is provided in Note 22.

The Directors assess the performance of the operating segments based on a measure of adjusted profit or loss before income tax. Certain income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the Directors for assessment of segment performance.

Total segment assets mainly exclude amounts due from former subsidiaries, and unallocated head office and corporate assets, all of which are managed on a centralised basis.

Total segment liabilities mainly exclude borrowings, amounts due to former subsidiaries, and unallocated head office and corporate liabilities, all of which are managed on a centralised basis.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Directors is measured in a manner consistent with that in the interim condensed consolidated income statement.

The following table presents financial information regarding the Group's operating segments for the six months ended 30 June 2025 and 2024 respectively.

(a) **Information about reportable segment revenue, profit or loss before income tax and other information**

	Continuing operations					
	Sales of properties		Properties rental, management and agency services		Total	
	Six months ended 30 June Unaudited		Six months ended 30 June Unaudited		Six months ended 30 June Unaudited	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Revenue from external customers (i)	–	918	51,434	101,877	51,434	102,795
(Loss)/profit before income tax	(913)	(67,343)	872	(150,497)	(41)	(217,840)

- (i) For the six months ended 30 June 2025, revenue from sales of properties of HK\$Nil (six months ended 30 June 2024: HK\$918,000) was recognised at a point in time. The revenue from properties management and agency services of HK\$38,327,000 (six months ended 30 June 2024: HK\$55,753,000) were recognised over time. Rental income of HK\$13,107,000 (six months ended 30 June 2024: HK\$46,124,000) was recognised on a straight-line basis over the term of respective leases.

6 SEGMENT INFORMATION – CONTINUED

- (a) Information about reportable segment revenue, profit or loss before income tax and other information – CONTINUED

	Continuing operations					
	Sales of properties		Properties rental, management and agency services		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	As at	As at	As at	As at	As at	As at
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total segment assets	219,645	207,316	340,178	343,656	559,823	550,972
Total segment assets include:						
Additions to non-current assets (ii)	–	–	5	24,266	5	24,266
Total segment liabilities	70,549	66,172	147,784	150,723	218,333	216,895

(ii) Amounts comprise additions to property, plant and equipment.

- (b) Reconciliation of reportable segment loss before income tax

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss before income tax for reportable segment	(41)	(217,840)
Unallocated interest income	–	40,359
Guarantee fee income from former subsidiaries	–	6,541
Impairment loss on amounts due from former subsidiaries	–	(2,362)
Provision for financial guarantees	–	(374,885)
Unallocated finance costs	(11,662)	(102,645)
Gain on disposal of a subsidiary	–	41,863
Loss on deconsolidation of a subsidiary	–	(34,737)
Unallocated head office and corporate income and expenses	(4,686)	20,967
Loss before income tax	(16,389)	(622,739)

6 SEGMENT INFORMATION – CONTINUED

(c) Reconciliation of reportable segment assets and liabilities

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Reportable segment assets	559,823	550,972
Amounts due from former subsidiaries	319,025	393,259
Unallocated head office and corporate assets	14,673	8,214
Total assets	893,521	952,445
Reportable segment liabilities	218,333	216,895
Amounts due to former subsidiaries	9,271	9,015
Unallocated borrowings	217,459	211,441
Unallocated head office and corporate liabilities	19,129	117,715
Total liabilities	464,192	555,066

(d) Geographical information

The Group's revenue are all derived from operations conducted in the PRC and the majority of the Group's non-current assets are also located in the PRC.

The Group has a large number of customers, and there is no significant revenue derived from specific external customers for the six months ended 30 June 2025 and 2024.

7 FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Interest expenses:		
Bank borrowings	–	28,595
Other borrowings (<i>Note</i>)	11,656	68,060
Interest and finance charges paid/payable for lease liabilities	1,082	1,565
Guarantee fee expense	–	4,425
	12,738	102,645

Note: Interest expenses on other borrowings for the six months ended 30 June 2024 included the provision for late payment surcharges in connection with the delay in the repayment of certain other borrowings of HK\$56,458,000 and interest expense on amounts due to former subsidiaries of HK\$509,000.

8 INCOME TAX CREDIT

Majority of the group's entities are subjected to the PRC Enterprise Income Tax ("EIT"), which is calculated based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the six months ended 30 June 2025 and 2024. Other group entities are subject to rates of taxation prevailing in the countries in which the respective group entities operate.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the six months ended 30 June 2025 and 2024.

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax ("LAT") is levied at the properties developed by the Group for sale in the PRC. LAT is charged on the appreciated amount at progressive rates ranged from 30% to 60%.

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax:		
– PRC EIT	–	–
– PRC LAT	–	5,275
	–	5,275
Deferred income tax credit	–	(55,040)
Income tax credit	–	(49,765)

9 DIVIDEND

No dividend was proposed for the six months ended 30 June 2025 and 2024.

10 (LOSS)/EARNINGS PER SHARE

The weighted average number of ordinary shares used to calculate the basic and diluted (loss)/earnings per share for the six months ended 30 June 2025 and 2024 have been adjusted to reflect the share reorganisation and share subscription (Note 21) implemented on 11 March 2025 and 31 March 2025 respectively. The basic and diluted (loss)/earnings per share for the six months ended 30 June 2024 are restated for the share consolidation. The share consolidation reduced the number of ordinary shares outstanding without a corresponding change in resources.

The calculation of basic (loss)/earnings per share is based on the Group's loss from continuing operations and profit from discontinued operations for the period attributable to owners of the Company of HK\$16,389,000 and HK\$Nil respectively (six months ended 30 June 2024: HK\$569,942,000 and HK\$17,413,000 respectively) and weighted average number of 163,919,486 (six months ended 30 June 2024: 148,793,515) ordinary shares in issue during the period.

Since there were no dilutive ordinary shares during the six months ended 30 June 2025 and 2024, (loss)/earnings per share is equal to basic (loss)/earnings per share.

11 INVESTMENT PROPERTIES

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
At the beginning of the period	251,351	2,628,284
Net changes from fair value adjustment	–	(202,869)
Reclassification to assets of Disposal Group classified as held-for-sales	–	(2,075,261)
Exchange differences	7,154	41,798
At the end of the period	258,505	391,952

For all investment properties, their current use equates to the highest and best use. The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the head of finance department. Discussions of valuation processes and results are held between the head of finance department, the valuation team and valuer at least once every year.

12 PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD-FOR-SALE

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Properties under development		
– Beyond a normal operating cycle included under non-current assets	99,875	97,111
Completed properties held-for-sale	99,328	93,017
	199,203	190,128

During the six months ended 30 June 2024, impairment provision of HK\$7,674,000 has been recognised in cost of revenue which is mainly attributable to the change in estimated net realisable value of certain completed properties held-for-sale located in the PRC due to current market condition.

As at 30 June 2025, the accumulated impairment provision on properties under development and completed properties held-for-sale amounted to HK\$51,879,000 (As at 31 December 2024: HK\$50,444,000).

Properties under development and completed properties held-for-sales which are expected to be recovered in more than twelve months after the end of the reporting period are still classified under current assets if they are expected to be realised within the Group's normal operating cycle. As at 30 June 2025, properties under development of HK\$99,875,000 (As at 31 December 2024: HK\$97,111,000) which are not expected to be developed within the Group's normal business cycle are therefore classified as non-current assets.

13 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Trade receivables	43,977	41,130
Less: provision for loss allowance	(6,914)	(6,723)
Trade receivables – net	37,063	34,407
Other receivables	4,158	1,956
Deposits	2,288	2,225
	6,446	4,181
Less: provision for loss allowance	(426)	(414)
Other receivables – net	6,020	3,767
Prepayments	5,747	1,919
	48,830	40,093

The aging analysis of trade receivables based on the date of services provided at the end of reporting period is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Within 3 months	705	12,756
More than 3 months but less than 12 months	30,360	23,210
More than 12 months	12,912	5,164
	43,977	41,130

14 TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group as at 30 June 2025 are trade payables of HK\$28,026,000 (As at 31 December 2024: HK\$33,444,000). The aging analysis of trade payables based on date of services/goods received at the end of the reporting period is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Within 3 months	2,048	15,631
More than 3 months but less than 12 months	10,248	278
More than 12 months	15,730	17,535
	<u>28,026</u>	<u>33,444</u>

15 BORROWINGS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Borrowings from the Associated Company	<u>217,459</u>	<u>211,441</u>

Movements in borrowings are analysed as follows:

	Unaudited Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
At the beginning of the period	211,441	1,768,795
Repayments of borrowings	—	(14,791)
Derecognition upon disposal of a subsidiary	—	(46,675)
Exchange differences	<u>6,018</u>	<u>37,899</u>
At the end of the period	<u>217,459</u>	<u>1,745,228</u>

As at 30 June 2025, the Group's borrowings bear interests at 10.95% per annum (As at 31 December 2024: 10.95%) per annum and are repayable on 31 December 2027.

The borrowings were not secured by the Group's assets as at 30 June 2025 and 31 December 2024.

Pursuant to the amendment and restatement deed entered into on 29 November 2024, the repayment date of the borrowings was extended to 31 December 2027.

The securities executed in relation to the borrowings from the Associated Company include (i) guarantee put up by Nantong Sanjian Holdings (HK) Co., Limited ("Nantong Sanjian"), a substantial shareholder; (ii) 18% of the Company's issued share capital pledged by Nantong Sanjian; (iii) guarantees put up by Nantong Sanjian Holdings Co., Ltd., the holding company of Nantong Sanjian, Mr. Huang Yuhui, a Director, and Ms. Liu Mei; (iv) 2% of the shares in Nantong Sanjian; and (v) guarantee put by Haimen Zendai Binjiang Real Estate Co., Ltd., a former subsidiary.

16 AMOUNTS DUE FROM/TO FORMER SUBSIDIARIES

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Amounts due from former subsidiaries (<i>Note i</i>)	735,723	798,425
Less: provision for loss allowance	(416,698)	(405,166)
Amounts due from former subsidiaries	319,025	393,259
	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Amounts due to former subsidiaries (<i>Note i</i>)	9,271	9,015

- (i) Prior to completion of the disposal of the entire equity interests in Myway Developments Limited (the "Myway Disposal"), the Group and the former subsidiaries had maintained inter-company balances. As these inter-company balances involved many different business entities of the Group and each of them had its own tax, operational and cashflow concerns for the repayment of these balances, it was impracticable for the relevant parties to settle all the outstanding balances before completion. Having considered the liquidity needs of the Group, amounts due from and to former subsidiaries were retained after the Myway Disposal.

According to the Myway Disposal agreement, the amounts due from and to former subsidiaries are unsecured, interest-bearing at the rate of 11.9% per annum and repayable in full on or before 31 December 2024. In the event that the balances have not been repaid in full as at 31 December 2024, the Group has the right to extend the maturity dates by not more than three years. Pursuant to the supplementary agreement in relation to the confirmation and extension of the amounts due from former subsidiaries dated 29 November 2024, the repayment date was extended to 31 December 2027. As at 30 June 2025, the gross amounts due from and due to the former subsidiaries were HK\$735,723,000 and HK\$9,271,000 respectively (As at 31 December 2024: HK\$798,866,000 and HK\$9,015,000 respectively).

A set-off deed agreement (the "Set-off Deed") was entered into on 29 November 2024 where the Company agreed to assign to the Associated Company, and the Associated Company agreed to take from the Company a partial outstanding balance from amounts due to former subsidiaries of HK\$83,062,000 for setting off the interest payable to the Associated Company. The Set-off Deed was passed by the shareholders of the Company in the Company's special general meeting held on 7 March 2025.

17 FINANCIAL GUARANTEES

(a) Financial guarantees in respect of mortgage facilities for certain properties purchasers

	Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
Guarantees in respect of mortgage facilities for certain purchasers	<u>3,847</u>	<u>3,801</u>

As at 30 June 2025 and 31 December 2024, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain properties purchasers of the Group's properties, net of mortgages received and included in receipts in contract liabilities. Pursuant to the terms of the guarantees, upon default in mortgage payments by the respective properties purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted properties purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the properties purchasers obtain the "property title certificate" which is then to be pledged with the banks.

The Group has not recognised any ECL provision in connection with the aforesaid financial guarantee contracts as the Directors of the Company are of the view that it is remote for the Group to suffer from any significant losses on these financial guarantee contracts.

- (b) The Group recognised loss allowance on financial guarantee contracts of HK\$374,885,000 for the six months ended 30 June 2024. After the 2024 Disposal as defined in the Company's Annual Report for the year ended 31 December 2024, the Group's obligations to financial guarantee contracts were released.

18 RELATED PARTY TRANSACTIONS

In addition to the related party information and transactions disclosed elsewhere in the interim condensed consolidated financial statements, the following is a summary of significant related party balances and transactions entered into the ordinary course of business between the Group and its related parties.

(a) Key management compensation

	Unaudited	
	Six months ended 30 June	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Short-term benefits	3,242	5,089
Post-employment benefits	<u>142</u>	<u>418</u>
	<u>3,384</u>	<u>5,507</u>

18 RELATED PARTY TRANSACTIONS – CONTINUED

(b) Balances and transactions with related parties

- (i) At the end of December 2022, the Group completed the disposal of the entire equity interest in Myway Developments Limited, a wholly-owned subsidiary of the Company and its subsidiaries (collectively the “**Former Subsidiaries**”) to Power Rider Enterprises Corp., (“**Power Rider**”), an associated company of a substantial shareholder. The Group charges the former subsidiaries a guarantee fee equivalent to 1% of the guaranteed amount per annum from the date of Myway Disposal until the date of release of these guarantees. There was no guarantee fee income for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$6,541,000).
- (ii) According to the Myway Disposal agreement, amounts due from and to former subsidiaries are interest-bearing at the rate of 11.9% per annum. There were no interest income and interest expenses for the six months ended 30 June 2025 (six months ended 30 June 2024: interest income of HK\$40,107,000 and interest expenses of HK\$509,000 respectively).

19 COMMITMENTS

	Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
Commitments in respect of properties under development and investment properties		
– contracted for or authorised but not provided	50,090	45,763

20 LEASES

As at 30 June 2025 and 31 December 2024 the Group had future aggregate minimum rental receivables under non-cancellable operating leases of self-owned investment properties and leased properties as follows:

	Unaudited As at 30 June 2025 <i>HK\$'000</i>	Audited As at 31 December 2024 <i>HK\$'000</i>
As lessor:		
Rental receivables in respect of investment properties		
Not later than 1 year	20,156	29,287
Later than 1 year and not later than 5 years	39,688	47,237
Later than 5 years	1,800	2,705
	61,644	79,229

21 SHARE CAPITAL

- (a) The special resolution regarding the proposal to implement a capital reorganisation (which involved share consolidation and capital reduction) had been passed by the shareholders of the Company at the special general meeting held on 7 March 2025. For details, please refer to the announcements of the Company dated 29 November 2024, 3 December 2024, 12 February 2025 and 7 March 2025 and the circular of the Company dated 14 February 2025. The capital reorganisation took effect on 11 March 2025. Consequently, the number of ordinary shares in issue decreased from 14,879,351,515 to 148,793,515 and the credit arising from the capital reduction in the amount of approximately HK\$294,611,000 was transferred to the contributed surplus account of the Company, the entire amount of which will be applied towards offsetting the accumulated losses.
- (b) On 2 December 2024, the Company entered into a share subscription agreement to issue 29,758,703 new shares at the subscription price of HK\$1.3 each to the subscriber, a company incorporated in the British Virgin Islands and is owned as to 70% by Ms. Li Zhen, the Chairman and Chief Executive Officer of the Company, and 10% each by Mr. Pi Minjie, an executive director of the Company, Mr. Song Yi and Mr. Hong Bin respectively. All the shares ranked pari passu in all respects among themselves and all other existing shares. These new shares were issued under the special mandate on 31 March 2025 and the subscription money of HK\$38,686,000 was duly received.
- (c) As at 30 June 2025, the number of issued and fully paid ordinary share was 178,552,218 of HK\$0.02 each, amounting to HK\$3,571,000.

22 DISCONTINUED OPERATION

After the 2024 Disposal, the hotel operation was discontinued in accordance with HKFRS 5.

The financial performance information and cash flow information of the discontinued operation for the six months ended 30 June 2024 are as follows:

	Unaudited Six months ended 30 June 2024 HK\$ '000
Revenue	29,493
Cost of sales	(1,266)
Gross profit	28,227
Net reversal of impairment losses on financial assets	4,655
Selling and marketing expenses	(8,730)
Administrative expenses	(6,739)
Profit before income tax	17,413
Income tax	—
Profit for the discontinued operation	17,413
Exchange differences arising on translation of discontinued operations	1,119
Total comprehensive income from discontinued operation	18,532
Cash generated from operating activities	10,546
Exchange differences	280
Net increase in cash and bank balances	10,826

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Board of Directors of DevGreat Group Limited (the “**Company**” or “**DevGreat**”) hereby presents the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”, the “**reporting period**” or “**Period under Review**”).

During the Period under Review, the Group recorded a revenue (including that from continuing operations and a discontinued operation) of approximately HK\$51,434,000, representing a decrease of HK\$80,854,000 as compared with a revenue of approximately HK\$132,288,000 for the same period in 2024. Since the Group’s property development projects are mainly at their planning stages, the revenue of the Group for the reporting period was mainly attributed to property rental and management and agency service.

Loss (including that from continuing operations and a discontinued operation) attributable to shareholders of the Company (the “**Shareholders**”) was approximately HK\$16,389,000, representing an decrease of approximately 97% as compared with the same period last year (loss of approximately HK\$552,529,000 for the same period last year). Basic loss (including that from continuing operations and a discontinued operation) per share of the Company (the “**Share**”) was HK\$0.10 (basic loss per share of HK\$3.71 (restated) for the same period last year). During the Period under Review, the Group recorded a decrease in loss, mainly attributable to the significant fair value decrease of investment properties and provision for financial guarantees were recognised in the same period in 2024, but no such fair value decrease and provision were recognised during the Period.

Business Review

DevGreat developed a domestic business presence with Shanghai as the centre and the Yangtze River Delta as the core sector by relying on its complete construction, operation and management capabilities and the independent teams responsible for planning and development, investment promotion programming, operation and property management.

In review of the operating environment for core businesses in the first half of 2025: in the commercial real estate sector, overall demand for retail space leasing remained weak, and rental rates continued to decline. However, as the effects of policies aimed at boosting consumption gradually took hold, the rate of rental decline narrowed. The office leasing market also saw subdued demand, with rents continuing to adjust. In the property management sector, as the real estate sector entered a period of deep adjustment, the property management industry exhibited clear transformation trends. Industry-wide prices generally stabilized, while the growth rate of managed scale continued to slow.

The Group insisted on strengthening capital and cost management, further optimized its capital structure, and actively negotiated with stakeholders in respect of key debt risks. The Group continued to enhance the operation and management of high-quality assets to improve the profitability of its projects. Thanks to those, the Group achieved stable cash flow and sound operation and development of its various businesses. The Group continued to focus on the development of its three business segments, namely property rental and management and agency services and property development services, and made clear the direction of the operation of its core assets by taking commercial space rental and property management as the key businesses at the current stage. The Group kept integrating its high-quality resources at the Group level, and clarified the renovation and upgrading plans and long-term operation strategies tailored to the needs of the local community based on the characteristics of each commercial project itself. The Group focused on improving the refined property management and stabilizing the profitability of its core projects so as to create a sound profit centre to serve the Group's development. Although the Group still took a prudent approach towards the property development business, it still closely monitored market development and put emphasis on the progress of projects under planning. At the same time, the Group further sharpened its core competitiveness in terms of new segments involving property development management and commercial management, and proactively monitored new market opportunities so as to develop new driving force for the profit growth. The Group continues to enhance its competitiveness in property development management and commercial management services. It actively explores market opportunities for new projects, focuses on upgrading and revitalizing existing projects through collaborative partnerships, and accumulates momentum for expansion into new business areas, fostering new growth drivers for the Group's profitability.

Development details of each business segment are set out below:

Operations of Commercial Properties Business

The Group continued to strengthen its business management capabilities for enhancing its business brand value. The Group actively adjusted its business layout plan, and strengthened investment attraction and project promotion, which ensured the vitality and popularity of project operations.

During the Period under Review, the operating revenue from commercial property in total amounted to approximately RMB2,819,000 (equivalent to approximately HK\$3,102,000). Approximately 83% of the commercial space was leased in average. Details of the operation of the commercial property project during the six-month period ended 30 June 2025 are as follows:

Commercial project names	City	Interest attributable to the Group	Leasable area (square metres)	Occupancy rate during the Period	Revenue during the Period	
					(RMB'000)	(HK\$'000)
Shanghai "Zendai Thumb Plaza"	Shanghai	100%	1,386	93%	7,893	8,685
Zendai Nantong Yicheng Thumb Plaza	Nantong	100%	37,399	83%	2,819	3,102
Total			38,785	85%	10,712	11,787

Property Management Service

In terms of property management service, the Group services the philosophy of “keep pace with the times, serve the best, focus on quality, and create impressions”. The projects under management cover a wide range of properties such as high-end business plazas, grade-A office buildings, top-tier villa areas, high-end residences and urban complexes. During the Period under Review, DevGreat managed more than 10 property management projects with a total area of over 1 million square metres.

During the Period under Review, the total area under management of the Group was 1,043,614 square metres, with operating revenue of RMB29,943,000 (equivalent to approximately HK\$33,175,000).

	Floor area (Square metres)	Revenue during the period	
		(RMB'000)	(HK\$'000)
Shanghai Headquarters and others	80,539	4,731	5,242
Kunshan Branch	107,625	1,681	1,862
Nanjing Branch	647,008	16,531	18,315
Qingdao Branch	63,298	1,192	1,321
Qingpu Branch	86,774	1,910	2,116
Huamu Branch	58,370	3,898	4,318
Total	1,043,614	29,943	33,174

Property Development Projects

Affected by the macroeconomic environment and the Group's own capital structure, the property development business is being adjusted and optimized. Given that the market was on a sustained downward trajectory following a short recovery attributable to the end of COVID-19 and economic policy adjustments, the Group further adjusted its business plan to respond to the market situation and the national policies. The Group's major projects to be developed are as follows:

Zendai Nantong Yicheng Thumb Plaza

Zendai Nantong Yicheng Thumb Plaza has a total site area of 281,912 square metres. Due to its prime location, the project has been included in the “Key Cultural Industry Projects in Nantong City” and “Key Development Projects in Chongchuan District”. The project occupies a total gross floor area of approximately 279,076 square metres (including car-parking space and ancillary facilities of 77,143 square metres). The project will be completed in three phases. The Company will initiate the subsequent development of the project based on market conditions.

Prospects and Future Plans for Material Investments

In the second half of 2025, as the government set a clear goal of “taking stronger measures to stabilize and revive the real estate market,” the sector remained on a recovery track with the support of comprehensive policies. In commercial real estate sector, given the uncertainty over whether the recovery in consumer demand can be sustained, the industry is expected to face continued challenges in the latter half of the year. However, operating performance is likely to stabilize, with fluctuations remaining within a controllable range. Office rents are still expected to face significant downward pressure. In the property management sector, companies are anticipated to accelerate their transformation toward “qualitative improvement,” focusing on service value enhancement. Efforts will center on premium assets and core projects, improving service quality and management efficiency to boost profitability.

The Group has already entered into a new stage characterized by asset-light development with operation and management services as its core business. By continuing to promote the “Two Assurances”, namely transformation empowered by the management team and the upgrading and improvement of the management mechanism, the Group will proactively summarize its experience in property development and commercial management and extend its operation experience to external parties, aiming to enhance the core competitiveness of the new segments which are characterized by the Group’s unique features and has an effective profit-making capability. The Group will launch new brands in various business segments and cultivate stable profit-contributing centres by revamping key projects and expanding new projects. At the same time, the Group will continue to improve its capital structure with a view to achieving long-term stable development.

The Group will continue to enhance its commercialization capabilities under new consumption and new scenarios under the guidance of national policies and new market situations, and strive to explore new opportunities for the next stage of development, so as to continue to contribute positively to the service of urban construction and social development.

Liquidity, Financial Resources, Capital Structure and Gearing

As at 30 June 2025, the Group had a financial position with net assets value of approximately HK\$429 million (As at 31 December 2024: approximately HK\$397 million). Net current liabilities amounted to approximately HK\$13 million (As at 31 December 2024: approximately HK\$20 million) with current ratio remains at approximately 0.94 times as at 30 June 2025 and as at 31 December 2024. The capital structure of the Group consists of borrowings (including current and non-current borrowing), net of cash and bank balances, and equity attributable to owners of the Company. The Group adopted relatively prudent financial policy and closely monitored its cash flow. As at 30 June 2025, the Group had consolidated borrowings of approximately HK\$217 million, which HK\$Nil was repayable within one year. As at 30 June 2025, borrowings of the amount of HK\$217 million (As at 31 December 2024: HK\$211 million) bear interest at fixed interest rates ranging 10.95% per annum (As at 31 December 2024: 10.95% per annum). As at 30 June 2025, the Group’s cash and bank balances and pledged deposits were approximately HK\$48 million (As at 31 December 2024: HK\$58 million). The gearing ratio of the Group remains at 0.47 times as at 30 June 2025 and as at 31 December 2024 (basis: net debt, which is defined as total amounts of borrowings, amounts due to minority owners of subsidiaries and lease liabilities less cash and cash equivalents and pledged deposits, divided by equity attributable to owners of the Company).

Use of Proceed

On 31 March 2025, the Company completed the subscription of 29,758,703 new shares under a specific mandate, raising net proceeds of approximately HK\$37 million. The Subscription formed part of the Company's strategy to enhance its capital structure, strengthen its financial position, and support the long-term development of the Group.

As at the date of this report, the Company has applied approximately HK\$19 million from the net proceeds for the settlement of principal and interest owed to Power Rider Enterprises Corp. The remaining balance of the net proceeds is intended to be used for the enhancement and development of the Group's existing businesses, including but not limited to strengthening working capital, supporting operational needs, and pursuing suitable opportunities to generate sustainable growth.

Segment Information

Property rental, management and agency services

The turnover of this segment for the Period under Review was approximately HK\$51,434,000 (same period in 2024: HK\$101,877,000), the decrease of which was mainly due to the withdrawal of several properties rental and property management projects after the 2024 Disposal.

Sales of properties

The turnover of this segment for the Period under Review was approximately HK\$Nil (same period in 2024: HK\$918,000). The decrease was primarily due to the Group has disposed most of its property development projects and shifted its focus to properties rental, management and agency services.

Foreign Currency and Interest Rates Exposures and Hedging

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group's cash and cash equivalents are also exposed to such foreign currency risk. Cash and cash equivalents held by the Group as at 30 June 2025 were mainly denominated in RMB and HK\$. Bank borrowings of the Group as at 30 June 2025 were mainly denominated in RMB. The Group currently does not use any financial instruments to hedge against its exposure to currency risk. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group's cash flow interest rate risk arises from long-term borrowings with prevailing market interest rates. Such risk is partly offset by cash held at prevailing market interest rates. The Group's fair value interest rate risk relates primarily to its fixed rate borrowings and payables and restricted bank deposits. The Group currently does not utilise any financial instruments to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Employees and Remuneration Policies

As at 30 June 2025, the Group employed approximately 317 employees (31 December 2024: 332 employees) in Hong Kong and the PRC. They were remunerated with basic salary and bonuses according to the nature of the job and market conditions. Other staff benefits include a mandatory provident fund scheme, local municipal government retirement scheme, training scheme, insurance and medical insurance.

Material Acquisition and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed elsewhere in this report, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the Period under Review.

Provision and Contingent Liabilities

As at 30 June 2025, the Group provided guarantees to the extent of approximately HK\$3,847,000 (31 December 2024: HK\$3,801,000) to banks in respect of mortgage loans provided by the banks to customers for the purchase of the developed properties of the Group, net of mortgages received and included in receipts in advance from customers. These guarantees provided by the Group to the banks would be released upon receiving the property title certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

In the opinion of the Directors, the credit risk exposure of these guarantee contracts is insignificant at initial recognition and at the end of the reporting period.

Pledge of Assets

As at 30 June 2025, no assets or equity interests of the subsidiaries of the Group were pledged to secure borrowings.

Material litigation and arbitration

The Company had no material litigation and arbitration during the reporting period.

Material Events Since the End of the Financial Period

The Board announced that with effect from 2 July 2025, Ms. Li Zhen (“**Ms. Li**”), an executive Director and chief executive officer of the Company has been appointed as an authorised representative of the Company under Rule 3.05 of the Listing Rules. For details, please refer to the announcement of the Company dated 2 July 2025.

The Board announced that with effect from 18 July 2025, Ms. Li, an executive Director and chief executive officer of the Company has been appointed as the chairman of the Board and a member and the chairman of the nomination committee of the Board. For details, please refer to the announcement of the Company dated 18 July 2025.

The Board announced that with effect from 27 August 2025, the head office and principal place of business of the Company in Hong Kong has been changed to Suite 1602A, 16/F., Kenbo Commercial Building, 335 Queen's Road West, Hong Kong. The Board further announced that with effect from 27 August 2025, the Company has adopted a new company logo which will be printed on the relevant documents of the Company, including but not limited to interim and annual reports, announcements, circulars and press releases. For details, please refer to the announcement of the Company dated 27 August 2025.

Save as disclosed, there were no material events subsequent to the Period under Review which would materially affect the Group's operating and financial performance as at the date of this interim report.

No Other Material Change

Save as disclosed, there was no material change in the Group's financial position or business since the publication of the latest annual results of the Company for the year ended 31 December 2024.

Director's and Chief Executive's Interests in Shares, Underlying Shares or Debentures

As at 30 June 2025, the interests and short positions of the Directors and chief executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), are set out below:

Name of Director/ Chief Executive	Number of Shares/ Underlying Shares	Capacity and nature of interests	Approximate percentage of issued share capital as at 30 June 2025
Ms. Li	29,758,703 (L)	Interest in controlled corporation	16.67%

(L) denotes long position

Save as disclosed above, as at 30 June 2025, no other Director or chief executive of the Company, had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, the interests or short positions of the persons, other than a Director or chief executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Nature of interests	Number of shares interested as at 30 June 2025	Approximate percentage of the issued share capital as at 30 June 2025
Nantong Sanjian Holding (HK) Co., Limited <i>(Note 1)</i>	Beneficial owner	44,623,175 (L)	24.99%
Nantong Sanjian Holdings Co., Ltd.* (南通三建控股有限公司) <i>(Note 1)</i>	Interest in controlled corporation	44,623,175 (L)	24.99%
Smart Success Capital Ltd. <i>(Note 2)</i>	Beneficial owner	27,032,484 (L)	15.14%
China Orient Asset Management (International) Holding Limited ("COAMI") <i>(Note 2)</i>	Interest in controlled corporation	27,032,484 (L)	15.14%
	Person having a security interest	26,782,832 (L)	15.00%
		53,815,316 (L)	30.14%
Wise Leader Assets Ltd. <i>(Note 2)</i>	Interest in controlled corporation	53,815,316 (L)	30.14%
Dong Yin Development (Holdings) Limited <i>(Note 2)</i>	Interest in controlled corporation	53,815,316 (L)	30.14%
China Orient Asset Management Co., Ltd. ("COAMC") <i>(Note 2)</i>	Interest in controlled corporation	53,815,316 (L)	30.14%
China Alliance Properties Limited <i>(Note 3)</i>	Beneficial owner	22,553,350 (L)	12.63%
Shanghai Forte Land Co., Ltd <i>(Note 3)</i>	Interest in controlled corporation	22,553,350 (L)	12.63%
Shanghai Fosun Industrial Investment Co., Ltd <i>(Note 3)</i>	Interest in controlled corporation	22,553,350 (L)	12.63%
Shanghai Fosun High Technology (Group) Co., Ltd <i>(Note 3)</i>	Interest in controlled corporation	22,553,350 (L)	12.63%

Name	Nature of interests	Number of shares interested as at 30 June 2025	Approximate percentage of the issued share capital as at 30 June 2025
Fosun International Limited (<i>Note 3</i>)	Interest in controlled corporation	22,553,350 (L)	12.63%
Fosun Holdings Limited (<i>Note 3</i>)	Interest in controlled corporation	22,553,350 (L)	12.63%
Fosun International Holdings Ltd. (<i>Note 3</i>)	Interest in controlled corporation	22,553,350 (L)	12.63%
Guo Guangchang (<i>Note 3</i>)	Interest in controlled corporation	22,553,350 (L)	12.63%
Innumerable Fortune Limited (<i>Note 4</i>)	Beneficial owner	29,758,703 (L)	16.67% (<i>Note 5</i>)

(L) denotes long position

Notes:

- As at 30 June 2025, Nantong Sanjian Holding (HK) Co., Limited was 100% controlled by Nantong Sanjian Holdings Co., Ltd.* (南通三建控股有限公司).
- As at 30 June 2025, COAMC had 100% control of Dong Yin Development (Holdings) Limited, which in turn had 100% control of Wise Leader Assets Ltd.; Wise Leader Assets Ltd. and Dong Yin Development (Holdings) Limited each had 50% control of COAMI; COAMI 100% control of the Smart Success Capital Ltd. COAMI entered into a security deed with Nantong Sanjian Holding (HK) Co., Limited, pursuant to which COAMI obtained security interests in 26,782,832 Shares of the Company.
- As at 30 June 2025, Mr. Guo Guangchang had 85.29% control of Fosun International Holdings Ltd., which had 100% control of Fosun Holdings Limited, which had 72.91% control of Fosun International Limited, which had 100% control of Shanghai Fosun High Technology (Group) Co., Ltd., which had 100% control of Shanghai Fosun Industrial Investment Co., Ltd., which had approximately 99.71% control of Shanghai Forte Land Co., Ltd., which has 100% control of China Alliance Properties Limited.
- On 2 December 2024, Innumerable Fortune Limited and the Company entered into a subscription agreement, pursuant to which, Innumerable Fortune Limited has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 29,758,703 new Shares in the Company to Innumerable Fortune Limited (the "Subscription"). Innumerable Fortune Limited is owned as to 70% by Ms. Li, the executive Director and chief executive officer of the Company, hence she is deemed to be interested in the Shares which Innumerable Fortune Limited is interested in. The Subscription was completed on 31 March 2025.
- Upon the capital reorganisation became effective on 11 March 2025 and the completion of the Subscription on 31 March 2025, the 29,758,703 subscription Shares represent approximately 16.67% of the total number of issued new Shares as enlarged by the allotment and issue of the subscription Shares.

Save as disclosed above, as at 30 June 2025, no persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Share Option Scheme

The Company adopted a share option scheme on 26 June 2012 which was valid for a period of 10 years and had expired on 25 June 2022 (the “**Scheme**”), for the primary purpose of providing incentives to directors and eligible persons. As at 30 June 2025, no share option had been granted or awarded or agreed to be granted or awarded to any person under the Scheme. Since the expiry of the Scheme, the Company has not adopted any new share scheme.

Changes of Information in Respect of Directors

Save as otherwise set out in this report, there was no change to any information required to be disclosed in relation to any Director pursuant to rule 13.51B(1) of the Listing Rules since the date of the 2024 annual report of the Company except as stipulated below:

- (i) As Mr. Huang Yuhui (“**Mr. Huang**”) desires to devote more time to his personal endeavours, Mr. Huang submitted a written resignation to the Board to resign as the executive Director and the chairman of the Company, the chairman of the nomination committee of the Board and the authorised representative of the Company under Rule 3.05 of the Listing Rules, with effect from 25 June 2025. For details, please refer to the announcement of the Company dated 25 June 2025.
- (ii) As the resolutions for re-election of Mr. Wang Letian (“**Mr. Wang**”), Ms. Wang Zheng (“**Ms. Wang**”) and Mr. Guo Haomiao (“**Mr. Guo**”) were not passed by the Shareholders at the annual general meeting of the Company held on 27 June 2025 (the “**AGM**”) in accordance with the bye-laws of the Company, Mr. Wang has retired as executive Director, Ms. Wang and Mr. Guo have retired as non-executive Directors with effect from the conclusion of the AGM, with effect from 27 June 2025. For details, please refer to the circular of the Company dated 29 May 2025 and the poll results announcement of the Company dated 27 June 2025.

Audit Committee

The Audit Committee has discussed with the management and reviewed the unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2025 and considered that the Company has complied with all applicable accounting standards and requirements.

Model Code For Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the period ended 30 June 2025.

Interim Dividend

For the six months ended 30 June 2025, the Board has resolved not to declare any interim dividend (six months ended 30 June 2024: Nil).

Corporate Governance

The Company has adopted the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance and has taken careful measures to ensure that the provisions have been duly complied with from time to time. The Board is of the opinion that the Company has met the code provisions in part 2 of the CG Code during the Period except for the deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**CEO**”) should be segregated and should not be performed by the same individual. However, upon the appointment of the Chairman, the Company does not have a separate Chairman and CEO and Ms. Li will be performing these two roles. Ms. Li, being a substantial shareholder of the Company (as defined in the Listing Rules), has held key leadership positions of the Group and has been deeply involved in the formulation of corporate strategies and management of the business and operations of the Group. Taking into account the consistent leadership within the Group, the Board believes that it is in the best interests of the Group and the shareholders as a whole to have Ms. Li taking up both roles for effective and efficient overall strategic planning and continuation of the implementation of such plans for the Group.

Despite the responsibilities of the Chairman and the CEO vested in Ms. Li, all major decisions are made in consultation with the Board. The Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the Chairman and the CEO at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.