



珠光控股
ZHUGUANG HOLDINGS

**ZHUGUANG HOLDINGS
GROUP COMPANY LIMITED**

(incorporated in Bermuda with limited liability)

Stock Code : 1176



* For identification purposes only

2025
INTERIM REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Chu Hing Tsung
(alias Mr. Zhu Qing Yi) (*Chairman*)
Mr. Liu Jie (*Chief Executive Officer*)
Mr. Liao Tengjia (*Deputy Chairman*)
Mr. Huang Jiajue (*Deputy Chairman*)
Mr. Chu Muk Chi (alias Mr. Zhu La Yi)
Ms. Ye Lixia

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Wo Ping *JP*
Mr. Wong Chi Keung
Dr. Feng Ke

AUDIT COMMITTEE

Mr. Leung Wo Ping *JP*
(*Committee Chairman*)
Mr. Wong Chi Keung
Dr. Feng Ke

REMUNERATION COMMITTEE

Mr. Wong Chi Keung
(*Committee Chairman*)
Mr. Leung Wo Ping *JP*
Mr. Huang Jiajue

NOMINATION COMMITTEE

Mr. Wong Chi Keung
(*Committee Chairman*)
Mr. Leung Wo Ping *JP*
Mr. Huang Jiajue

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COMPANY SECRETARY

Mr. Choi Kwok Keung Sanvic



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Certified Public Accountants
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LEGAL ADVISORS ON BERMUDA LAW

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PRINCIPAL BANKERS

Industrial and Commercial Bank of
China (Asia) Limited
Agricultural Bank of China Limited
Bank of Guangzhou Co., Ltd.
China Zheshang Bank Co., Ltd.
Ping An Bank Co., Ltd

WEBSITE

www.zhuguang.com.hk

STOCK CODE

1176

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

FINANCIAL HIGHLIGHTS

RESULTS

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Revenue by operating segment:		
– Property development	894,967	101,036
– Project management services	506,853	514,231
– Property investment and hotel operation	64,603	108,399
Fair value loss on investment properties, net	(181,217)	(119,684)
Loss for the period	(245,990)	(859,224)
Loss for the period attributable to owners of the parent	(213,377)	(833,805)
	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Total assets	33,196,132	32,781,140
Total liabilities	30,126,488	29,521,670
Total equity	3,069,644	3,259,470



MANAGEMENT DISCUSSION AND ANALYSIS

Market and Business Review

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales

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

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

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

Zhuguang Financial Town One – 100% interest

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

Pearl Yijing – 100% interest

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

* English name is translated for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Yujing Scenic Garden – 100% interest

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Xincheng Yujing – 100% interest

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

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MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Pearl Yunling Lake – 100% interest

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

Tianhu Yujing – 100% interest

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Yujing Yayuan – 50% interest

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

Hua Cheng Yujing Garden – 100% interest

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Project Tian Ying – 100% interest

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

Meizhou Chaotang Project – 100% interest

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Development and Sales *(Continued)*

Central Park – 100% interest

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

Zhukong International – 80% interest

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

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MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Land Bank

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

Project Management Services

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Project Management Services *(Continued)*

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

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Project Management Services *(Continued)*

- (a) if the subsidiary of the Group's customer ("Project Company") directly or indirectly acquires the land use rights in the Project Land and to the extent a transfer of the equity interest in the Project Company is permitted under the PRC laws, regulations and policies, the Group is entitled to (i) exercise its pre-emptive rights to acquire the equity interest in the Project Company or (ii) an income from the sale of the equity interest in the Project Land to a third party;
- (b) to the extent that the equity interest in the Project Company (which directly or indirectly holds the land use rights in the Project Land) is not capable of being transferred due to regulatory reasons or government policies, the Group is entitled to an income from the sale of saleable properties developed under the project; and
- (c) if the Project Company has not directly or indirectly acquired the land use rights in the Project Land, the Group is entitled to an amount equal to (i) the total amount of funds incurred and contributed by the Group under its contractual funding responsibility plus (ii) an income from a fixed rate of return at an agreed percentage of such funds, which represents the minimum consideration receivable by the Group as an assured return on investment for its provision of project management services.

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Investment and Hotel Operation

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Property Investment and Hotel Operation *(Continued)*

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

OUTLOOK

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

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

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MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

OUTLOOK *(Continued)*

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

FINANCIAL REVIEW

Revenue

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Revenue *(Continued)*

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

Gross profit

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Fair value loss on investment properties, net

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

Impairment loss on financial assets, net

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

Other income and gains, net

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Administrative expenses and selling and marketing expenses

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

Other expenses, net

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Share of loss of an associate

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

Finance costs, net

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Income tax expense/credit

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

Loss for the period

The Group's loss for the Period Under Review was approximately HK\$245,990,000 (six months ended 30 June 2024: HK\$859,224,000). Such change was mainly attributable to (1) the increase in the Group's revenue from property development from approximately HK\$101,036,000 during the six months ended 30 June 2024 to approximately HK\$894,967,000 during the Period Under Review, due to the increase in the number of properties delivered during the Period Under Review; and (2) the substantial decrease in other expenses, net, recorded by the Group from approximately HK\$507,569,000 for the six months ended 30 June 2024 to approximately HK\$31,298,000 for the Period Under Review, which was mainly caused by the provision for interest and related expenses on certain borrowing of the Group and the impairment of the Group's properties under development and completed



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Loss for the period *(Continued)*

properties held for sale recorded by the Group during the six months ended 30 June 2024, which were absent in the Period Under Review, which were partially offset by (a) the increase in the fair value loss on investment properties, net, recorded by the Group from approximately HK\$119,684,000 for the six months ended 30 June 2024 to approximately HK\$181,217,000 during the Period Under Review, which was mainly caused by the decrease in the fair value of the Group's investment properties as at 30 June 2025 from that as at 31 December 2024; (b) the increase in the impairment loss on financial assets, net, recorded by the Group from approximately HK\$11,166,000 for the six months ended 30 June 2024 to approximately HK\$115,248,000 for the Period Under Review, which was mainly caused by the further impairment loss on trade and other receivables, following its assessment of expected credit loss on such assets during the Period Under Review; and (c) the change in provision for income tax by the Group from an income tax credit of approximately HK\$5,885,000 for the six months ended 30 June 2024 to an income tax expense of approximately HK\$185,918,000 during the Period Under Review, which was mainly due to the increase in the tax provision as a result of the increase in revenue from property development recorded by the Group during the Period Under Review, as compared with that in the corresponding period in 2024.

Treasury and funding policies

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

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Cash position

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

Borrowings, charges on group assets and gearing ratio

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

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Borrowings, charges on group assets and gearing ratio *(Continued)*

- (a) As at 30 June 2025, the Group's bank and other borrowings amounted to approximately HK\$14,479,412,000, of which approximately 98.1%, 0.6%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years (31 December 2024: HK\$13,944,416,000, of which approximately 98.5%, 0.2%, 0.6% and 0.7% were repayable respectively within one year or on demand, in the second year, in the third to fifth years inclusively and over five years). As at 30 June 2025, such borrowings of the Group were made up of financing from (i) bank loans; (ii) senior notes; (iii) other borrowings, including trust loans and term loan facilities; and (iv) lease liabilities. Out of these borrowings, approximately HK\$2,740,000 (31 December 2024: HK\$5,876,000), approximately HK\$12,743,683,000 (31 December 2024: HK\$12,334,652,000) and approximately HK\$1,732,989,000 (31 December 2024: HK\$1,603,888,000) were denominated in HK\$, RMB and US\$, respectively. The senior notes and other borrowings carried fixed interest rates ranging from 6.52% per annum to 14.26% per annum (31 December 2024: 6.52% per annum to 14.26% per annum). Approximately 9.49% (31 December 2024: 9.59%) of the bank loans carried fixed interest rates ranging from 5.95% per annum to 8.20% per annum (31 December 2024: 5.95% per annum to 8.85% per annum) while the remaining bank loans of approximately 90.51% (31 December 2024: 90.41%) carried floating interest rates.
- (b) The gearing ratio of the Group, being the Group's financial key performance indicator, is measured by the net debt (total interest-bearing borrowings net of cash and bank balances) over the total capital (total equity plus net debt) of the Group. As at 30 June 2025, the gearing ratio of the Group was 82% (31 December 2024: 81%).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Borrowings, charges on group assets and gearing ratio *(Continued)*

- (c) As at 30 June 2025, the Group had outstanding secured bank loans of approximately HK\$7,961 million, which were secured by the following: (i) the Group's investment properties; (ii) the Group's property and equipment; (iii) the Group's properties under development and completed properties held for sale; (iv) the entire equity interest of the Company's subsidiaries, namely, 廣州珠光城市更新集團有限公司 (Guangzhou Zhuguang Urban Renewal Group Company Limited*), 廣州舜吉實業有限公司 (Guangzhou Shunji Industry Company Limited*), 廣東海聯大廈有限公司 (Guangdong Hailian Building Company Limited*) and 廣州發展汽車城有限公司 (Guangzhou Development Automobile City Co., Ltd.*); (v) the corporate guarantees executed by the Company and 廣東珠光集團有限公司 (Guangdong Zhuguang Group Company Limited*) ("Guangdong Zhuguang Group"); and (vi) the personal guarantees executed by the executive Directors, namely, Mr. Chu Hing Tsung and Mr. Liao Tengjia.
- (d) As at 30 June 2025, the Group had outstanding senior notes in the aggregate principal amount of US\$207.9 million (equivalent to approximately HK\$1,632 million), which were secured and guaranteed by (i) 3,000,000,000 shares of the Company ("Shares") owned by Rong De Investments Limited (融德投資有限公司) ("Rong De") (a controlling shareholder ("Shareholder") of the Company (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"))); (ii) the 100% equity interest of the Company's subsidiaries, namely, Ai De Investments Limited (靄德投資有限公司) ("Ai De"), All Flourish Investments Limited (通興投資有限公司) ("All Flourish"),

* English name is translated for identification purpose only



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Borrowings, charges on group assets and gearing ratio *(Continued)*

(d) *(Continued)*

Capital Fame Investments Limited (嘉鋒投資有限公司) (“Capital Fame”), Cheng Chang Holdings Limited (誠昌控股有限公司) (“Cheng Chang”), China Honest International Investments Limited (創豪國際投資有限公司) (“China Honest”), Diamond Crown Limited (毅冠有限公司) (“Diamond Crown”), East Orient Investment Limited (達東投資有限公司) (“East Orient”), Ever Crown Corporation Limited (冠恒興業有限公司) (“Ever Crown”), Fully Wise Investment Limited (惠豐投資有限公司) (“Fully Wise”), Gains Wide Holdings Limited (利博控股有限公司) (“Gains Wide”), Gold Charter Investments Limited (高澤投資有限公司) (“Gold Charter”), Graceful Link Limited (愉興有限公司) (“Graceful Link”), Pacific Win Investments Limited (保鋒投資有限公司) (“Pacific Win”), Polyhero International Limited (寶豪國際有限公司) (“Polyhero International”), Profaitth International Holdings Limited (盈信國際控股有限公司) (“Profaitth International”), Sharp Wisdom Holdings Limited (銳智控股有限公司) (“Sharp Wisdom”), South Trend Holdings Limited (南興控股有限公司) (“South Trend”), Speedy Full Limited (速溢有限公司) (“Speedy Full”), Talent Wide Holdings Limited (智博控股有限公司) (“Talent Wide”), Top Asset Development Limited (通利發展有限公司) (“Top Asset”), Top Perfect Development Limited (泰恒發展有限公司) (“Top Perfect”), World Sharp Investments Limited (華聲投資有限公司) (“World Sharp”) and Zhuguang Group Limited (珠光集團有限公司) (“ZG Group”); (iii) the corporate guarantees executed by Rong De, ZG Group, South Trend, Ai De, All Flourish, Capital Fame, Cheng Chang, China Honest, Diamond Crown, East Orient, Ever Crown, Fully Wise, Gains Wide, Gold Charter, Graceful Link, Pacific Win, Polyhero International, Profaitth International, Talent Wide, Top Asset, Top Perfect, World Sharp, Sharp Wisdom and Speedy Full; and (iv) the personal guarantees executed by the executive Directors, namely, Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL REVIEW *(Continued)*

Borrowings, charges on group assets and gearing ratio *(Continued)*

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

* English name is translated for identification purpose only



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES

2022 Senior Notes

The conditional note purchase agreement (“2022 Note Purchase Agreement”) dated 22 September 2022 was entered into among (a) the Company as the issuer; (b) Rong De as the controlling Shareholder (within the meaning of the Listing Rules), which is owned as to 34.06% by Mr. Chu Hing Tsung, as to 36.00% by Mr. Liao Tengjia and as to 29.94% by Mr. Chu Muk Chi; (c) Mr. Chu Hing Tsung, Mr. Liao Tengjia and Mr. Chu Muk Chi (collectively as the “Existing Ultimate Shareholders”) as personal guarantors; and (d) Blooming Rose Enterprises Corp. (“Blooming Rose”), Heroic Day Limited (“Heroic Day”), China Cinda (HK) Asset Management Co., Limited (“Cinda”) and Quan Xing Holdings Limited (荃興控股有限公司) (“Quan Xing”, together with Blooming Rose, Heroic Day and Cinda, collectively as “Investors”) as investors, pursuant to which the Company shall conditionally issue to the Investors the 36-month 12% per annum senior secured guaranteed notes in the aggregate principal amount of US\$210,000,000 (equivalent to approximately HK\$1,638,000,000), further details of which are set out in the announcement of the Company dated 22 September 2022.

Pursuant to the 2022 Note Purchase Agreement, on 22 September 2022, (a) Rong De entered into (i) a charge (“2022 Share Charge”) over 3,000,000,000 Shares that it held in the Company; and (ii) a corporate guarantee (“Corporate Guarantee”), in favour of The Bank of New York Mellon, Hong Kong Branch (“BNY HK”); and (b) each of the Existing Ultimate Shareholders entered into a personal guarantee (collectively, the “Personal Guarantees”, together with the Corporate Guarantee, the “2022 Guarantees”) in favour of BNY HK. The 2022 Share Charge, which subsisted during the Period Under Review (with effect from 22 September 2022) and as at the date of this interim report, is discloseable pursuant to Rule 13.17 of the Listing Rules. The 2022 Guarantees also subsisted during the Period Under Review (with effect from 22 September 2022) and as at the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

The conditions of the 2022 Senior Notes, which subsisted during the Period Under Review (with effect from 22 September 2022) and as at the date of this interim report, also contain certain conditions imposing specific performance obligations on Rong De (the controlling Shareholder (within the meaning of the Listing Rules)) and the Existing Ultimate Shareholders, which are required to be disclosed pursuant to Rule 13.18 of the Listing Rules.

It is an event of default under the conditions of the 2022 Senior Notes, if amongst others:

- (i) Rong De ceases to beneficially own not less than 3,670,000,000 Shares (and if there is a sub-division, consolidation or reclassification of those Shares, such number of Shares resulting from it);
- (ii) Rong De ceases to (a) control the Company; or (b) beneficially own at least 51% of the entire issued share capital of the Company on a fully-diluted basis;
- (iii) the persons who are or become shareholders of Rong De and who have agreed to be bound by the 2022 Note Purchase Agreement as a warrantor (“Ultimate Shareholders”) cease to (a) control the Company; or (b) beneficially own at least 51% of the entire issued share capital of the Company on a fully-diluted basis;
- (iv) the Ultimate Shareholders cease to (a) control Rong De; or (b) legally and beneficially own in aggregate at least 76.03% of the entire issued share capital of Rong De on a fully-diluted basis; and
- (v) any of the Existing Ultimate Shareholders ceases to be a Director, except that Mr. Liao Tengjia may resign from the Board if he ceases to beneficially own any share in Rong De.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

On 25 October 2024, the Company and Rong De, a controlling shareholder (within the meaning of the Listing Rules) of the Company, entered into a share transfer and option deed (“Share Transfer and Option Deed”) with the Noteholders, which imposed, among others, specific performance obligations on Rong De that are required to be disclosed pursuant to Rule 13.18 of the Listing Rules. Pursuant to the Share Transfer and Option Deed, (i) after completion of the Subscription (“Subscription Completion”), Rong De is required to, at the absolute discretion of each Noteholder, from the date of the Subscription Completion to the maturity date (“Maturity Date”) of the Senior Notes (i.e. 21 September 2025), transfer to the Noteholders up to a total of 728,180,872 Subscription Shares (“Transfer Shares”) at the consideration of HK\$0.115 per Transfer Share (being the closing price of the Shares as quoted on the website of the Stock Exchange on the date falling one trading day immediately prior to the date of the Share Transfer and Option Deed), as settlement of the outstanding interest accrued on the Senior Notes due and payable by the Company to the Noteholders (“Outstanding Interest Amount”); and (ii) Rong De shall deposit the balance (“Remaining Shares”) of 1,625,000,000 Subscription Shares, after deducting the Transfer Shares, into a cash securities trading account (“Account”) subject to a first fixed charge which has been created in favour of the security agent appointed pursuant to the Notes (as trustee for the benefit of itself and on behalf of the Noteholders), or, upon the request of Blooming Rose, China Cinda and Heroic Day (collectively, the “Principal Noteholders”), into a cash securities trading account of Rong De established and maintained with a reputable and experienced agent or securities broker (to be agreed between the Principal Noteholders and Rong De). The deposit of the Remaining Shares into the Account is also required to be disclosed pursuant to Rule 13.17 of the Listing Rules. If the relevant Noteholder does not request Rong De to transfer any Transfer Shares to it pursuant to the Share Transfer and Option Deed as settlement of the Outstanding Interest Amount due to such Noteholder, the Outstanding Interest Amount due to such Noteholder will become due and payable on the Maturity Date. A breach of any of the specific obligations set out above shall be an event of default under the terms and conditions of the Senior Notes (as amended and supplemented from time to time).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

Upon the occurrence of an event of default, the 2022 Senior Notes shall become immediately due and repayable in accordance with the conditions of the 2022 Senior Notes.

The 2022 Senior Notes constitute direct, unconditional, secured, guaranteed, unsubordinated and general obligations of the Company and rank equally and without any preference amongst themselves, and the payment obligations of the Company under the 2022 Senior Notes shall (subject to any obligations preferred by mandatory provision of applicable laws and regulations) rank at least pari passu with all other present and future direct, unconditional, unsecured, unsubordinated and general obligations issued, created or assumed by the Company.

On 22 September 2022, the Company issued the 2022 Senior Notes in the aggregate principal amount of US\$210,000,000 (equivalent to approximately HK\$1,638,000,000) due on 21 September 2025 to the Investors. As at 30 June 2025, US\$207,900,000 (equivalent to approximately HK\$1,632,000,000) of the 2022 Senior Notes remained outstanding.

The Board considered that the issue of the 2022 Senior Notes represented an opportunity to raise funds for the Company to repay the 2019 Indebtedness (as defined below).



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

As intended, the Company has used the entire amount of the proceeds received from the issue of the 2022 Senior Notes to repay all the outstanding principal amount of the 2019 Senior Notes (as defined below) (to the extent such outstanding principal amount of the 2019 Senior Notes has not been set-off or otherwise settled as contemplated under the 2022 Note Purchase Agreement) payable to the 2019 Creditors (as defined below) in relation to the 2019 Indebtedness.

For the purpose of the above, the defined terms used therein shall have the following meanings:

“2019 Creditors”	means all creditors who are entitled to any payment under the transaction documents in connection with the issue by the Company of the 2019 Senior Notes and the 2019 Warrants, including the 2019 Noteholders;
“2019 Indebtedness”	means all outstanding indebtedness incurred by the 2019 Obligors under the transaction documents in connection with the issue by the Company of the 2019 Senior Notes and the 2019 Warrants (including the 2019 Note Indebtedness but excluding the 2019 Warrants Indebtedness) as at 22 September 2022;

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

“2019 Note Indebtedness”	means all outstanding indebtedness incurred by the 2019 Obligors under the 2019 Senior Notes as at 22 September 2022;
“2019 Noteholders”	means all registered holders of the outstanding 2019 Senior Notes as at 22 September 2022;
“2019 Obligors”	means the parties to the transaction documents in connection with the issue by the Company of the 2019 Senior Notes and the 2019 Warrants, other than the 2019 Noteholders, BNY HK, as the security agent and ABCI Securities Company Limited as the safekeeping agent;
“2019 Senior Notes”	means the senior secured guaranteed notes in the aggregate principal amount of US\$410,000,000 due 2022 issued by the Company as constituted by the note certificates and the terms and conditions in relation thereto (as amended and supplemented from time to time), further details of which are set out in the announcements of the Company dated 22 September 2019 and 21 November 2019, and the circular of the Company dated 5 November 2019;



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

DISCLOSURE PURSUANT TO RULES 13.17 AND 13.18 OF THE LISTING RULES *(Continued)*

2022 Senior Notes *(Continued)*

“2019 Warrant Instrument” means the warrant instrument dated 27 November 2019 executed by way of a deed poll by the Company in relation to the 2019 Warrants;

“2019 Warrants” means the warrants with an aggregate amount of exercise moneys of US\$61,500,000 of the Company which entitle holders thereof to subscribe for the Shares at the initial strike price of HK\$1.6148 (as adjusted from time to time in accordance with the 2019 Warrant Instrument) with the final adjusted strike price being HK\$1.54, as constituted by the 2019 Warrant Instrument and warrant certificates issued to all registered holders of the outstanding 2019 Warrants as at 26 November 2022, further details of which are set out in the announcements of the Company dated 22 September 2019, 21 November 2019 and 27 August 2021 and the circular of the Company dated 5 November 2019; and

“2019 Warrants
Indebtedness” means all amounts payable to all registered holders of the outstanding 2019 Warrants as at 26 November 2022 under the 2019 Warrant Instrument as at 26 November 2022.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL GUARANTEE CONTRACTS

The Group had the following financial guarantees:

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FOREIGN EXCHANGE RATE

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

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had capital expenditures contracted but not provided for in its financial statements in respect of properties under development of approximately HK\$447,027,000 (31 December 2024: HK\$449,411,000) in aggregate.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

CAPITAL STRUCTURE

As at 30 June 2025, the number of issued ordinary shares of the Company was 8,850,632,753 shares (31 December 2024: 8,850,632,753 shares) in aggregate and the shareholders' equity of the Company was approximately HK\$3,126,488,000 (31 December 2024: HK\$3,282,906,000). The decrease in the shareholders' equity of the Company as at 30 June 2025 was mainly attributable to the loss attributable to the owners of the parent of approximately HK\$213,377,000 for the Period Under Review, which was partially offset by the positive effect of the appreciation of RMB against HK\$ during the Period Under Review, resulting in exchange gains on translation of foreign operations of approximately HK\$56,788,000 being recognised in other comprehensive income for the Period Under Review.

As at 30 June 2025, the capital structure of the Group consisted mainly of shareholders' equity, bank loans, senior notes and other borrowings.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

EMPLOYEES AND REMUNERATION POLICIES

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

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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Note) HK\$'000
NON-CURRENT ASSETS			
Property and equipment	11	202,674	214,953
Investment properties	12	2,690,342	2,829,529
Intangible assets		3,962	4,476
Investments in joint ventures		10,874	10,708
Investments in an associate		400,681	487,913
Trade receivables	13	13,380,781	12,590,151
Total non-current assets		16,689,314	16,137,730
CURRENT ASSETS			
Properties under development		7,756,059	8,037,624
Completed properties held for sale		4,774,450	4,688,340
Trade receivables	13	1,065,632	1,142,966
Prepayments, other receivables and other assets	14	2,677,220	2,538,181
Prepaid income tax		191,570	193,520
Financial assets at fair value through profit or loss	15	26,175	25,776
Cash and bank balances	16	15,712	17,003
Total current assets		16,506,818	16,643,410

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Note) HK\$'000
CURRENT LIABILITIES			
Contract liabilities		3,096,219	3,734,485
Trade and other payables	17	6,708,115	6,383,891
Interest-bearing bank and other borrowings	18	14,210,376	13,745,845
Income tax payables		3,855,253	3,591,018
Total current liabilities		27,869,963	27,455,239
NET CURRENT LIABILITIES		(11,363,145)	(10,811,829)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,326,169	5,325,901
NON-CURRENT LIABILITIES			
Other payables	17	143,754	143,754
Interest-bearing bank and other borrowings	18	269,036	198,571
Deferred tax liabilities		1,843,735	1,724,106
Total non-current liabilities		2,256,525	2,066,431
Net assets		3,069,644	3,259,470

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Note) HK\$'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	885,064	885,064
Reserves		951,671	1,142,089
		1,836,735	2,027,153
Perpetual capital securities		1,289,753	1,255,753
		3,126,488	3,282,906
Non-controlling interests		(56,844)	(23,436)
Total equity		3,069,644	3,259,470

Note:

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

(Unaudited)	Attributable to owners of the parent.										Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Exchange fluctuation reserve	Contributed surplus	Statutory reserves	Capital reserve	Retained profits/(accumulated losses)	Total	Perpetual capital securities		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	722,564	5,626,160*	(101,922)*	(1,689,910)*	239,404*	41,601*	(25,738)*	277,021*	5,089,180	1,187,753	31,478	6,308,411
(Loss)/profit for the period	-	-	-	-	-	-	-	(867,805)	(867,805)	34,000	(25,419)	(859,224)
Other comprehensive income/(loss) for the period:												
Exchange differences on translation of foreign operations	-	-	-	(19,407)	-	-	-	-	(19,407)	-	19	(19,388)
Share of other comprehensive loss of an associate	-	-	-	(5,989)	-	-	-	-	(5,989)	-	-	(5,989)
Total comprehensive income/(loss) for the period	-	-	-	(25,396)	-	-	-	(867,805)	(893,201)	34,000	(25,400)	(884,601)
At 30 June 2024	722,564	5,626,160	(101,922)	(1,715,306)	239,404	41,601	(25,738)	(590,784)	4,195,979	1,221,753	6,078	5,423,810

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the six months ended 30 June 2025

(Unaudited)	Attributable to owners of the parent											
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Contributed surplus HK\$'000	Statutory reserves HK\$'000	Capital reserve HK\$'000	Retained profits/	Total HK\$'000	Perpetual capital securities HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
								(accumulated losses) HK\$'000				
At 1 January 2025	885,064	5,788,660*	(101,922)*	(1,766,332)*	239,404*	41,601*	87,984*	(3,147,306)*	2,027,153	1,255,753	(23,436)	3,259,470
(Loss)/profit for the period	-	-	-	-	-	-	-	(247,377)	(247,377)	34,000	(32,613)	(245,990)
Other comprehensive income/(loss) for the period:												
Exchange differences on translation of foreign operations	-	-	-	57,583	-	-	-	-	57,583	-	(795)	56,788
Share of other comprehensive loss of an associate	-	-	-	(624)	-	-	-	-	(624)	-	-	(624)
Total comprehensive income/(loss) for the period	-	-	-	56,959	-	-	-	(247,377)	(190,418)	34,000	(33,408)	(189,826)
At 30 June 2025	885,064	5,788,660*	(101,922)*	(1,709,373)*	239,404*	41,601*	87,984*	(3,394,683)*	1,836,735	1,289,753	(56,844)	3,069,644

* These reserve accounts comprise the consolidated reserves of HK\$951,671,000 (31 December 2024: HK\$1,142,089,000) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(60,072)	(865,109)
Total non-cash adjustments	1,583,665	910,771
Total working capital adjustments	(1,548,684)	(76,953)
Cash used in operations	(25,091)	(31,291)
Corporate income tax paid	(631)	(1,911)
Net cash flows used in operating activities	(25,722)	(33,202)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	10	4,994
Purchases of items of property and equipment	(748)	(97)
Decrease in restricted cash	953	157,731
Net cash flows from investing activities	215	162,628

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank and other borrowings	–	93,529
Repayment of bank and other borrowings	(9,796)	(214,115)
Principal portion of lease payments	(3,373)	(2,825)
Advances from related parties	65,150	116,941
Advances from the ultimate holding company	–	60,530
Interest paid	(26,679)	(173,257)
Net cash flows from/(used in) financing activities	25,302	(119,197)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(205)	10,229
Cash and cash equivalents at beginning of period	7,171	7,804
Effect of foreign exchange rate changes	(133)	(99)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,833	17,934

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances as per condensed consolidated statement of financial position	15,712	99,104
Less: restricted cash	(8,879)	(81,170)
	6,833	17,934

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2025

1. CORPORATE AND GROUP INFORMATION

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

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

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

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



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

2. BASIS OF PRESENTATION

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

2. BASIS OF PRESENTATION *(Continued)*

- (a) the Group has been proactively communicating with the relevant lenders on the Group's business plan, operations and financial position such that they will not demand for immediate repayment of the Group's borrowings;
- (b) the Group will continue to take measures to monitor the collection of the receivables of urban redevelopment projects in accordance with the agreed schedules;
- (c) the Group is actively discussing with the lenders of certain bank and other borrowings on the re-financing of the existing borrowings and to obtain additional credit facilities from existing and other lenders as are when needed;
- (d) the Group will continue its efforts to promote the pre-sales and sales of its properties under development and completed properties held for sale which are highly sensitive to the local real estate market sentiment and buyer confidence in the area where the Group's principal property projects are situated;
- (e) the Group will continue to take active measures to collect outstanding sales proceeds and other receivables and control its administrative costs and manage its capital expenditure; and
- (f) Rong De has agreed not to demand for repayment of any amounts due to Rong De until the Group is in the position to repay without impairing its financial position.



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

2. BASIS OF PRESENTATION *(Continued)*

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

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

- (a) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings;
- (b) the successful and timely agreement with the lenders on the extension of the repayment dates for existing borrowings subject to the Group's financial and liquidity position, and to obtain additional credit facilities from existing and other lenders as and when needed;
- (c) the successful and timely collection of receivables of urban redevelopment projects in accordance with the agreed schedules; and

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

2. BASIS OF PRESENTATION *(Continued)*

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

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

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

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

3. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

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

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

- Lack of Exchangeability (Amendments to HKAS 21)

Lack of Exchangeability (Amendments to HKAS 21)

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

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

(Continued)

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

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

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

4. OPERATING SEGMENT INFORMATION

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

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



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

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

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

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2025

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

For the six months ended 30 June 2024

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

30 June 2025

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

31 December 2024

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

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

Information about major customers

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

5. REVENUE, OTHER INCOME AND GAINS

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

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

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Type of goods or services		
Sale of properties	894,967	101,036
Hotel operation income	28,461	35,693
	923,428	136,729
Timing of revenue recognition		
At a point in time	910,882	122,429
Over time	12,546	14,300
Total revenue from contracts with customers	923,428	136,729



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

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

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

6. FINANCE COSTS, NET

An analysis of finance costs, net is as follows:

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

7. LOSS BEFORE TAX

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2025 and 2024. Taxes on profits assessable in the Chinese Mainland have been calculated at the rates of tax prevailing in the cities in which the majority of the Group's subsidiaries operate.

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



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

9. DIVIDENDS

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

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

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

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

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

11. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group had addition of property and equipment of HK\$748,000 (six months ended 30 June 2024: HK\$97,000).

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

12. INVESTMENT PROPERTIES

	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Carrying amount at 1 January	2,829,529	3,444,060
Net loss from fair value adjustments	(181,217)	(119,684)
Exchange realignments	42,030	(23,867)
Carrying amount at 30 June	2,690,342	3,300,509

The Group's investment properties were revalued on 30 June 2025 and 2024 based on valuations performed by Greater China Appraisal Limited, an independent professionally qualified valuer.

The valuations of completed investment properties were based on either (i) the term and reversionary approach by capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary rental income potential of the properties, which is positively correlated to the market rental growth rate, and negatively correlated to term yields and reversion yields; or (ii) the direct comparison method by reference to comparable market transactions, which is positively correlated to the market unit sale rate.

At 30 June 2025 and 2024, the fair value measurement of all the Group's investment properties used significant unobservable inputs (Level 3) as defined in HKFRS 13.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

12. INVESTMENT PROPERTIES *(Continued)*

In the opinion of the Directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use.

During the period, there were no transfers of fair value measurements between Level 1 (quoted prices in active markets) and Level 2 (significant observable inputs) and no transfer into or out of Level 3 (six months ended 30 June 2024: Nil).

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

13. TRADE RECEIVABLES

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Receivables from sales of properties	(a)	58,180	1,323
Receivables from property investment and hotel operation		289,615	263,951
Less: Impairment allowance		(87,992)	(49,315)
Net receivables from property investment and hotel operation	(a)	201,623	214,636
Receivables for urban redevelopment projects			
Related parties	23(c)	16,454,206	15,670,453
Third parties		590,996	582,006
Less: Impairment allowance	(b)	17,045,202 (2,858,592)	16,252,459 (2,735,301)
Net receivables for urban redevelopment projects		14,186,610	13,517,158
Total		14,446,413	13,733,117
Portion classified as non-current assets		(13,380,781)	(12,590,151)
Current portion		1,065,632	1,142,966

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

13. TRADE RECEIVABLES *(Continued)*

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

13. TRADE RECEIVABLES *(Continued)*

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

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

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Prepaid construction costs and others		1,165,129	1,032,938
Prepaid business taxes and other levies		69,451	121,855
Cost of obtaining contracts		45,732	20,245
Others		410,906	378,704
		1,691,218	1,553,742
Other receivables:			
Related parties	(a), 23(c)	1,006,053	988,260
Third parties		286,716	331,843
		1,292,769	1,320,103
		2,983,987	2,873,845
Less: Impairment allowance		(306,767)	(335,664)
Total		2,677,220	2,538,181
Portion classified as non-current assets		—	—
Current portion		2,677,220	2,538,181

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS *(Continued)*

Note:

- (a) As at 30 June 2025, other receivables amounting to HK\$987,867,000 (31 December 2024: HK\$972,840,000) represented outstanding funds provided to certain related parties for property development projects in the PRC of which the project management service agreement was terminated in prior years. The balances were unsecured, interest-free and repayable on agreed terms.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Other unlisted investments, at fair value	26,175	25,776
Portion classified as current assets	(26,175)	(25,776)
Non-current portion	—	—

Note:

At 30 June 2025, the Group subscribed for certain unlisted PRC investment funds for an aggregate amount of HK\$26,175,000 (31 December 2024: HK\$25,776,000). The investment funds are managed with expected return equal to the one-year prevailing savings interest rate quoted by the People's Bank of China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

16. CASH AND BANK BALANCES

	Note	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Restricted cash			
Guaranteed deposits for construction projects	(a)	2,864	2,820
Deposits held at banks due to litigation		6,015	7,012
		8,879	9,832
Cash and cash equivalents		6,833	7,171
		15,712	17,003



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

16. CASH AND BANK BALANCES *(Continued)*

Notes:

- (a) Pursuant to the relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of pre-sale proceeds of properties with designated bank accounts as guaranteed deposits for the construction of the related properties. The deposits can only be used for the purchase of construction materials and payments of construction fees for the relevant property projects. The deposits will be released after completion of the related pre-sold properties or issuance of the real estate ownership certificate of the properties, whichever is earlier.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. All the bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

17. TRADE AND OTHER PAYABLES

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade and bills payables	(a)	3,089,482	3,035,632
Amounts due to related parties	23(c)	170,220	102,878
Amount due to a joint venture	23(c)	5,483	5,399
Amount due to ultimate holding company	23(c)	143,754	143,754
Other payables and accruals	(b)	2,355,476	2,206,404
Other tax payables		1,077,599	1,023,873
Financial guarantee contracts		9,855	9,705
		6,851,869	6,527,645
Portion classified as current liabilities		(6,708,115)	(6,383,891)
Non-current portion		143,754	143,754

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

17. TRADE AND OTHER PAYABLES *(Continued)*

Notes:

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

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

The trade and bills payables are non-interest-bearing and unsecured.

As at 30 June 2025, trade payables amounting to HK\$85,069,000 (31 December 2024: HK\$77,304,000) were payable to Guangzhou Zhuguang Property Management Company Limited, a related company of the Company, for the provision of property management services, which would be settled in payment terms similar to other trade payables (note 23(c)).

- (b) As at 30 June 2025, other payables amounting to HK\$50,587,000 (31 December 2024: HK\$49,818,000) were amounts due to the non-controlling shareholders of the companies in the Group, which are unsecured, interest-free and repayable on demand (note 23(c)).

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Analysed into:		
Bank borrowings repayable:		
Within one year or on demand	7,691,911	7,560,700
In the second year	92,136	24,361
In the third to fifth years, inclusive	81,685	80,443
Over five years	95,215	93,767
	7,960,947	7,759,271
Other borrowings repayable:		
Within one year or on demand	4,782,736	4,575,381
Senior notes repayable:		
Within one year or on demand	1,732,989	1,603,888
Lease liabilities repayable:		
Within one year or on demand	2,740	5,876
	14,479,412	13,944,416
Portion classified as current liabilities	(14,210,376)	(13,745,845)
Non-current portion	269,036	198,571

18. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes:

- (a) Certain of the Group's bank and other borrowings are secured or guaranteed by:
- (i) pledges over the Group's property and equipment with an aggregate carrying amount at the end of the reporting period of approximately HK\$197,453,000 (31 December 2024: HK\$207,224,000);
 - (ii) pledges over the Group's investment properties with an aggregate carrying amount at the end of the reporting period of approximately HK\$2,067,172,000 (31 December 2024: HK\$2,175,884,000);
 - (iii) pledges over the Group's properties under development with an aggregate carrying amount at the end of the reporting period of approximately HK\$2,645,628,000 (31 December 2024: HK\$2,742,163,000);
 - (iv) pledges over the Group's completed properties held for sale with an aggregate carrying amount at the end of the reporting period of approximately HK\$3,012,394,000 (31 December 2024: HK\$2,941,473,000);
 - (v) pledges over the equity interests of the Group's certain subsidiaries for borrowings of the Group amounting to HK\$8,230,171,000 (31 December 2024: HK\$7,957,013,000) at the end of the reporting period;
 - (vi) corporate guarantees executed or security provided by Rong De, the Company's ultimate holding company, for the senior notes of the Group amounting to HK\$1,732,989,000 (31 December 2024: HK\$1,603,888,000) at the end of the reporting period;
 - (vii) corporate guarantees executed by the Company for borrowings of the Group amounting to HK\$8,475,500,000 (31 December 2024: HK\$8,156,751,000) at the end of the reporting period;

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

18. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(a) *(Continued)*

(viii) personal guarantee executed by certain directors of the Company for borrowings of the Group amounting to HK\$9,648,288,000 (31 December 2024: HK\$9,331,197,000) at the end of the reporting period; and

(ix) pledges and guarantees provided by Guangdong Zhuguang Group Company Limited for borrowings of the Group amounting to HK\$11,143,234,000 (31 December 2024: HK\$10,803,199,000) as at the end of the reporting period.

(b) On 22 September 2022, the Company issued 3-year secured guaranteed senior notes (the “2022 Senior Notes”) with an aggregate principal amount of US\$210,000,000, the net proceeds of which were used to repay the outstanding senior notes issued in 2019. In accordance with the terms and conditions of the 2022 Senior Notes, the Company, at its option, may redeem all or a portion of the 2022 Senior Notes at any time after 12 months from the issue date and from time to time prior to the maturity date at the redemption price plus accrued and unpaid interest up to the redemption date. Further, the Company shall, on the date falling 12 months after the issue date, redeem 10% of the aggregate principal amount (the “First Mandatory Redemption Aggregate Principal Amount”), and shall, on the date falling 24 months after the issue date, redeem 20% of the aggregate principal amount (the “Second Mandatory Redemption Aggregate Principal Amount”). The remaining outstanding principal amount of the 2022 Senior Notes shall originally be due on 21 September 2025. Pursuant to an amendment deed entered into by the Group in March 2024, the repayment of the remaining balance of the First Mandatory Redemption Aggregate Principal Amount of US\$18,900,000 was extended to 21 September 2025. The 2022 Senior Notes are denominated in US\$ with an interest rate at 12% per annum.



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

18. INTEREST-BEARING BANK AND OTHER BORROWINGS *(Continued)*

Notes: *(Continued)*

(b) *(Continued)*

On 25 October 2024, (i) the Company, (ii) the noteholders and (iii) the obligors (other than the Company) entered into the third amendment deed (the “Third Amendment Deed”), pursuant to which the interest rate of the 2022 Senior Notes was adjusted to 6.5% per annum for the periods (i) from 22 June 2024 to 21 September 2024, and (ii) from 22 September 2024 to the maturity date. Pursuant to the Third Amendment Deed, the repayment of the Second Mandatory Redemption Aggregate Principal Amount of US\$42,000,000 was extended to 21 September 2025. Further details of the Third Amendment Deed are set out in the announcement of the Company dated 12 November 2024.

As at 30 June 2025, US\$207,900,000 (31 December 2024: US\$207,900,000) of the 2022 Senior Notes remained outstanding.

Rong De has provided pledges of assets and guarantees for the 2022 Senior Notes of HK\$1,732,989,000 (31 December 2024: HK\$1,603,888,000) as at 30 June 2025.

- (c) As at 30 June 2025, the Group’s bank and other borrowings with carrying amounts of HK\$2,740,000 (31 December 2024: HK\$5,876,000), HK\$12,743,683,000 (31 December 2024: HK\$12,334,652,000) and HK\$1,732,989,000 (31 December 2024: HK\$1,603,888,000) were denominated in HK\$, RMB and US\$, respectively.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

19. SHARE CAPITAL

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Authorised 10,000,000,000 shares of HK\$0.1 each	1,000,000	1,000,000
Issued and fully paid 8,850,632,753 ordinary shares of HK\$0.1 each	885,064	885,064

20. PERPETUAL CAPITAL SECURITIES

- (i) On 29 October 2018, the Company issued perpetual capital securities with a principal amount of HK\$800,000,000 to Rong De, the ultimate holding company of the Company.

The securities confer the holders a right to receive distributions at the applicable distribution rate of 6% per annum from and including 29 October 2018, payable semi-annually on 20 June and 20 December of each year. The Company may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the Company, in whole or in part.

- (ii) On 30 November 2021, the Company issued perpetual capital securities with a principal amount of HK\$250,000,000 to Rong De, the ultimate holding company of the Company.

The securities confer the holders a right to receive distributions at the applicable distribution rate of 8% per annum from and including 30 November 2021, payable semi-annually on 20 June and 20 December of each year. The Company may, at its sole discretion, elect to defer a distribution pursuant to the terms of the securities. The securities may be redeemed at the option of the Company, in whole or in part.

In the opinion of the Directors, the Company is able to control the delivery of cash or other financial assets to the holders of the perpetual capital securities due to redemption other than an unforeseen liquidation of the Company. Accordingly, the perpetual capital securities are classified as equity instruments of the Company.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

21. FINANCIAL GUARANTEES

The Group had the following financial guarantees as at the end of the reporting period:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Guarantees in respect of the mortgage facilities provided to certain purchasers of the Group's properties	1,269,103	1,249,798

The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any auction proceeds as described below.

Pursuant to the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, in the event of default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interest and penalties.



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

21. FINANCIAL GUARANTEES *(Continued)*

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance of real estate ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

22. COMMITMENTS

The Group had the following capital and other commitments as at the end of the reporting period:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Contracted, but not provided for: Properties under development	447,027	449,411

23. RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

Names	Relationships
Rong De	Ultimate holding company of the Company
Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi)	Major shareholder of Rong De, the chairman of the Company's board of directors (the "Board"), the Company's executive director, and a member of key management personnel of the Company
Mr. Liao Tengjia	Major shareholder of Rong De, deputy chairman of the Board, the Company's executive director and a member of key management personnel of the Company
Mr. Huang Jiajue	Deputy chairman of the Board, the Company's executive director, and a member of key management personnel of the Company
Beijing Zhuguang Property Development Company Limited ("BJ Zhuguang Property")	Mr. Liao Tengjia is considered to have significant influence in this company
Beijing Quan Ying property Development Company Limited ("BJ Quan Ying")	Mr. Liao Tengjia is considered to have significant influence in this company



NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(a) Names and relationships with related parties *(Continued)*

Names	Relationships
Guangdong Fengshun Luhù Hot Spring Resort Co., Ltd. ("GD Fengshun Luhù")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangdong Zhuguang Group Company Limited ("GD Zhuguang Group")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangzhou Conghua Zhuguang Investment Company Limited ("GZ Conghua Zhuguang Investment")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangzhou Dongzhi Real Estate Development Co., Ltd. ("GZ Dongzhi")	Non-controlling shareholder in Guangzhou Hongyue Investment Co., Ltd, a subsidiary of the Company
Guangdong Gaopai Real Estate Investment Co., Ltd. ("Gaopai Real Estate")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangzhou Shiqi Property Development., Ltd ("Shi Qi")	Joint venture of the Group
Guangzhou Yifa Industrial Development Co., Ltd ("Yifa Industrial")	Mr. Liao Tengjia is considered to have significant influence in this company

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(a) Names and relationships with related parties *(Continued)*

Names	Relationships
Guangzhou Yingfu Investment Co., Ltd. ("GZ Ying Fu Investment")	Non-controlling shareholder in Zhongshan Zhuguang Property Company Limited, a subsidiary of the Company
Guangzhou Zhuguang Investment Company Limited ("GZ Zhuguang Investment")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangzhou Zhuguang Property Development Company Limited ("GZ Zhuguang Property")	Mr. Liao Tengjia is considered to have significant influence in this company
Guangzhou Zhuguang Property Management Company Limited ("GZ Zhuguang Property Management")	Controlled by a close family member of Mr. Chu Hing Tsung
Xianghe Zhuguang Real Estate Company Limited ("XH Zhuguang Real Estate")	Mr. Liao Tengjia is considered to have significant influence in this company

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in the interim financial information, the Group had the following transactions with related parties during the period:

		Six months ended 30 June	
	Notes	2025 HK\$'000	2024 HK\$'000
Finance component of income from GD Zhuguang Group and its subsidiaries	(i)	506,853	514,231
Service income received from GD Zhuguang Group and its subsidiaries	(ii)	1,854	1,602
Property management service fees to GZ Zhuguang Property Management	(ii)	1,536	1,755
Rental expenses paid to GZ Zhuguang Investment	(ii)	3,206	3,322

Notes:

- (i) The finance component of income was derived from the receivables related to urban redevelopment projects in accordance with the terms of the underlying agreements.
- (ii) The above transactions were conducted in accordance with the terms of the underlying agreements.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties:

As at 30 June 2025 and 31 December 2024, the Group had the following material balances with related parties:

	Note	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Amounts due from related parties relating to receivables for urban redevelopment projects included in trade receivables			
– GD Zhuguang Group		2,825,364	2,782,387
– GZ Zhuguang Property		8,853,475	8,346,719
– GZ Conghua Zhuguang Investment		1,199,727	1,181,477
– GZ Zhuguang Investment		3,575,640	3,359,870
	13	16,454,206	15,670,453

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties: *(Continued)*

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Amounts due from related parties included in prepayments, other receivables and other assets			
– GD Zhuguang Group (i)		5,711	5,499
– GZ Zhuguang Property Management (i)		1,048	1,031
– Yifa Industrial (i)		11,427	8,890
– BJ Zhuguang Property (i)		987,867	972,840
	14	1,006,053	988,260
Amounts due to related parties included in trade and bills payables			
– GD Zhuguang Group (ii)		12,652	12,352
– GZ Zhuguang Property Management 17(a)		85,346	77,304
		97,998	89,656

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(c) **Outstanding balances with related parties:** *(Continued)*

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Amounts due to related parties included in trade and other payables			
– GD Zhuguang Group		109,770	45,740
– GZ Zhuguang Property Management		60,450	57,138
	17, (ii)	170,220	102,878
Amount due to a joint venture included in trade and other payables			
– Shi Qi	17, (ii)	5,483	5,399

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties: *(Continued)*

	Notes	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Amounts due to non-controlling shareholders included in trade and other payables			
– GZ Ying Fu Investment		39,476	38,875
– GZ Dongzhi		11,111	10,943
	17(b)	50,587	49,818
Amounts due to the ultimate holding company (Rong De) included in trade and other payables	17, (iii)	143,754	143,754
Perpetual capital securities	20	1,289,753	1,255,753

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Outstanding balances with related parties: *(Continued)*

Notes:

- (i) Amounts due from related parties included in prepayments, other receivables and other assets were derived from the provision of management services, which would be settled in accordance with mutually agreed terms.
- (ii) Amounts due to related parties and a joint venture included in trade, bills and other payables are unsecured, interest-free and repayable on demand.
- (iii) As at 30 June 2025 and 31 December 2024, amounts due to the ultimate holding company included in other payables are unsecured, interest-free and repayable after one year.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

23. RELATED PARTY TRANSACTIONS *(Continued)*

(d) Compensation of key management personnel of the Group

In the opinion of the Directors, the directors and the chief executive officer of the Company represented the key management personnel of the Group and the compensation of the key management personnel are set out as follows:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Fees	450	720
Other emoluments:		
Salaries, allowances and benefits in kind	5,442	4,958
Pension scheme contributions	46	46
	5,488	5,004
Waiver of remuneration in respect of the prior year	–	(10,781)
	5,938	(5,057)

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments as at 30 June 2025 and 31 December 2024 approximate to their fair values.

Management has assessed that the fair values of trade receivables, deposits and other receivables, restricted cash, cash and bank balances, trade and other payables and the current portion of bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of the non-current portion of bank and other borrowings and amounts due to the ultimate holding company approximate to their fair values. The fair values of the non-current portion of bank and other borrowings and amounts due to the ultimate holding company have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes of fair value as a result of the Group's own non-performance risk for bank and other borrowings as at 30 June 2025 and 31 December 2024 were assessed to be insignificant.

The Group has estimated the fair value of unlisted PRC investment funds by using a discounted cash flow valuation model based on the market interest rate of instruments with similar terms and risks.

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2025

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	-	-	26,175	26,175

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*
30 June 2025

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

As at 31 December 2024

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets				
Financial assets at fair value through profit or loss	–	–	25,776	25,776

NOTES TO INTERIM FINANCIAL INFORMATION *(Continued)*

30 June 2025

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The movements in fair value measurements of financial assets within Level 3 is as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Financial assets at fair value through profit or loss:		
At beginning of period/year	25,776	26,340
Exchange realignment	399	(564)
At end of period/year	26,175	25,776

Save as disclosed above, during the period/year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

25. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved and authorised for issue by the board of directors on 29 August 2025.

OTHER INFORMATION

INTERIM DIVIDEND

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

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, there were changes in the information required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules in the course of the Directors' term of office.

Mr. Wong Chi Keung, an independent non-executive Director, ceased to be an independent non-executive director of Yuan Heng Gas Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code: 332) with effect from 1 August 2025.

Save as the aforesaid, the Company has not been advised by the Directors of any change in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since its last update to the Shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

- (a) As at 30 June 2025, the interests and short positions of each Director and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (i) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (ii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Code"), to be notified to the Company and the Stock Exchange, were as follows:

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(a) *(Continued)*

Long position in the Shares

Name of Director/ chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of total issued share capital of the Company (Note 3)
Chu Hing Tsung (alias Zhu Qing Yi)	Interest of a controlled corporation (Note 1)	4,978,123,714	56.25%
Liao Tengjia	Interest of a controlled corporation (Note 1)	4,978,123,714	56.25%
Liu Jie	Beneficial owner	1,144,000	0.01%
Ye Lixia	Beneficial owner	810,000	0.01%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(a) *(Continued)*

Long position in the underlying Shares

Name of Director/ chief executive of the Company	Nature of interest	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 3)
Chu Hing Tsung (alias Zhu Qing Yi)	Interest of a controlled corporation (Note 1)	728,180,872 (Note 2)	8.23%
Liao Tengjia	Interest of a controlled corporation (Note 1)	728,180,872 (Note 2)	8.23%

Notes:

- 4,978,123,714 Shares and 728,180,872 underlying Shares were held by Rong De, which was owned as to 34.06% by Mr. Chu Hing Tsung, as to 36.00% by Mr. Liao Tengjia and as to 29.94% by Mr. Chu Muk Chi. Mr. Chu Hing Tsung and Mr. Liao Tengjia were deemed to be interested in the Shares and the underlying Shares held by Rong De under the SFO. To the best knowledge of the Directors, out of the aforesaid 4,978,123,714 Shares, 3,000,000,000 Shares have been pledged by Rong De to BNY HK. Mr. Liao Tengjia is a director of Rong De.
- The holders of the senior notes issued by the Company in 2022 granted to Rong De call options to purchase up to 728,180,872 Shares sold by Rong De to them. The exercise period of the call options commences on the respective days on which the relevant underlying Shares are transferred from Rong De to such holders and ends on 21 September 2025. The underlying Shares represent unlisted physically settled derivatives.
- The total number of the issued Shares as at 30 June 2025 (i.e. 8,850,632,753 Shares) had been used for the calculation of the approximate percentage shareholdings in the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(a) *(Continued)*

Interest in shares of the Company's associated corporations

Name of Director/ chief executive of the Company	Name of associated corporation	Capacity	Total number of ordinary shares	Approximate percentage of interest
Chu Hing Tsung (alias Zhu Qing Yi)	Rong De	Beneficial owner	68,120	34.06%
Chu Muk Chi (alias Zhu La Yi)	Rong De	Beneficial owner	59,888	29.94%
Liao Tengjia	Rong De	Beneficial owner	71,992	36.00%
Huang Jiajue	Silver Grant	Beneficial owner	11,928,000	0.52%

- (b) Save as disclosed in this interim report, as at 30 June 2025, none of the Directors or the chief executive of the Company had any interest and short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (ii) were required, pursuant to the Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

- (a) As at 30 June 2025, so far as it is known to the Directors or the chief executive of the Company, the following persons, other than a Director or the chief executive of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO and were required to be kept under section 336 of the SFO:

Interests of substantial Shareholder

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of total issued share capital of the Company (Note 9)	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 9)
Rong De (Note 1)	Beneficial owner	4,978,123,714 (L)	56.25%	728,180,872 (L)	8.23%

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Interests of other persons

Name of Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate percentage of total issued share capital of the Company (Note 9)	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 9)
Central Huijin Investment Limited ("Central Huijin") (Note 2)	Interest of controlled corporations	3,080,577,392 (L)	34.81%	80,577,392 (S)	0.91%
	Interest of controlled corporations	3,365,494,183 (L)	38.03%		
Agricultural Bank of China Limited ("ABCL") (Note 2)	Interests of controlled corporations	3,080,577,392 (L)	34.81%	80,577,392 (S)	0.91%
Heroic Day (Note 2)	Security interest	3,000,000,000 (L)	33.90%	80,577,392 (S)	0.91%
	Beneficial owner	80,577,392 (L)	0.91%		
Ministry of Finance of the People's Republic of China ("MOF") (Note 3)	Security interest	3,361,112,000 (L)	37.98%	50,718,355 (L)	0.57%
	Interest of controlled corporations				
The Bank of New York Mellon Corporation ("BNY") (Note 4)	Interest of a controlled corporation	3,003,457,019 (L)	33.93%		
		3,457,019 (P)	0.04%		
COAM (Note 5)	Interest of controlled corporations	3,365,494,183 (L)	38.03%		

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Interests of other persons *(Continued)*

Name of Shareholder	Capacity/ Nature of interest	Number of Shares	Approximate percentage of total issued share capital of the Company (Note 9)	Number of underlying Shares	Approximate percentage of total issued share capital of the Company (Note 9)
Cheung Fong Wing (Note 6)	Interest of a controlled corporation	3,448,164,788 (L)	38.96%	29,664,788 (S)	0.34%
Quan Xing (Note 6)	Beneficial owner	448,164,788 (L)	5.06%	29,664,788 (S)	0.34%
	Security interest	3,000,000,000 (L)	33.90%		
中國華融資產管理股份有限公司 ("CHAMCL") (Note 7)	Interest of controlled corporations	92,336,000 (L)	1.04%		
	Security interest	1,586,000,000 (L)	17.92%		
China Cinda Asset Management Co., Ltd. ("CCAM") (Note 8)	Interest of controlled corporations	3,000,000,000 (L)	33.90%		
Cinda (Note 8)	Security interest	3,000,000,000 (L)	33.90%		
(L) indicates a long position					
(S) indicates a short position					
(P) indicates a lending pool					



SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Notes:

1. The Shares comprised the 4,978,123,714 Shares beneficially owned by Rong De as stated under "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures – Long position in the Shares". To the best knowledge of the Directors, out of the aforesaid 4,978,123,714 Shares, 3,000,000,000 Shares have been pledged by Rong De to BNY HK. As at 30 June 2025, Rong De also held interests in 728,180,872 underlying Shares. The holders of the senior notes issued by the Company in 2022 granted to Rong De call options to purchase up to 728,180,872 Shares sold by Rong De to them. The exercise period of the call options commences on the respective days on which the relevant underlying Shares are transferred from Rong De to such holders and ends on 21 September 2025. The underlying Shares represent unlisted physically settled derivatives. Mr. Liao Tengjia is a director of Rong De.
2. According to the disclosure of interest notice filed by Central Huijin on 14 February 2025, Heroic Day held direct interest in 3,080,577,392 Shares and short position in 80,577,392 underlying Shares. Heroic Day is a wholly-owned subsidiary of ABCI Investment Management Limited ("ABCIIM"). ABCIIM is a wholly-owned subsidiary of ABC International Holdings Limited ("ABCIH"). ABCIH is a wholly-owned subsidiary of ABCL. ABCL is in turn owned as to 40.14% by Central Huijin. Heroic Day granted to Rong De a right to purchase all or any of 80,577,392 Shares on and after the day which such Shares are transferred from Rong De to Heroic Day. The underlying Shares represent unlisted physically settled derivatives. Accordingly, ABCIIM, ABCIH, ABCL and Central Huijin are deemed to be interested in the Shares and the underlying Shares held by Heroic Day by virtue of the provisions of the SFO.

In addition, Blooming Rose held direct interest in 3,365,494,183 Shares, and is a wholly-owned subsidiary of China Orient Asset Management (International) Holding Limited ("COAM International"). COAM International is held as to 50% by Wise Leader Assets Ltd ("Wise Leader") and as to 50% by Dong Yin Development (Holdings) Limited ("Dong Yin"). Wise Leader is held as to 100% by Dong Yin and Dong Yin is a wholly-owned subsidiary of China Orient Asset Management Co., Ltd. ("COAM"). COAM is owned as to 71.55% by Central Huijin. Accordingly, COAM International, Wise Leader, Dong Yin, COAM and Central Huijin are deemed to be interested in the Shares held by Blooming Rose by virtue of the provisions of the SFO.

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Notes: *(Continued)*

3. According to the disclosure of interest notice filed by MOF on 15 October 2019, Heroic Day held direct interest in 3,361,112,000 Shares and 50,718,355 underlying Shares. Heroic Day is a wholly-owned subsidiary of ABCIIM, which is in turn wholly-owned by ABCIH. ACBIH is a wholly-owned subsidiary of ABCL, which is owned as to 35.29% by MOF. Accordingly, ABCIIM, ABCIH, ABCL and MOF are deemed to be interested in the Shares and the underlying Shares held by Heroic Day by virtue of the provisions of the SFO. The underlying Shares represent listed derivatives of convertible instruments. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Heroic Day ceased to hold (i) 3,361,112,000 Shares with effect from 22 September 2022 due to the Company's refinancing of the 2019 Senior Notes by way of the 2022 Senior Notes; and (ii) 50,718,355 underlying Shares with effect from 27 November 2022 as a result of the expiry of the 2019 Warrants.
4. According to the disclosure of interest notice filed by BNY on 3 December 2024, the Bank of New York Mellon held direct interest in 3,003,457,019 Shares and a lending pool of 3,457,019 Shares, and is wholly-owned by BNY. Accordingly, BNY is deemed to be interested in the Shares held by the Bank of New York Mellon by virtue of the provisions of the SFO.
5. According to the disclosure of interest notice filed by COAM on 11 November 2024, Blooming Rose held direct interest in 3,365,494,183 Shares, and is a wholly-owned subsidiary of COAM International. COAM International is held as to 50% by Wise Leader and as to 50% by Dong Yin. Wise Leader is held as to 100% by Dong Yin and Dong Yin is a wholly-owned subsidiary of COAM. Accordingly, COAM International, Wise Leader, Dong Yin and COAM are deemed to be interested in the Shares held by Blooming Rose by virtue of the provisions of the SFO.



SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Notes: *(Continued)*

6. According to the disclosure of interest notice filed by Quan Xing on 4 November 2024, Quan Xing, which is wholly-owned by Mr. Cheung Fong Wing, held direct interest in 3,448,164,788 Shares and short position in 29,664,788 underlying Shares. Quan Xing granted to Rong De call options to purchase up to 29,664,788 Shares sold by Rong De to Quan Xing. The exercise period of the call options commences on the days on which such Shares are transferred from Rong De to Quan Xing. Accordingly, Mr. Cheung Fong Wing is deemed to be interested in the Shares and the underlying Shares held by Quan Xing by virtue of the provisions of the SFO. The underlying Shares represent unlisted physically settled derivatives.
7. According to the disclosure of interest notice filed by CHAMCL on 7 April 2021 ("CHAMCL Notice"), Beyond Steady Limited ("Beyond Steady"), a wholly-owned subsidiary of Linewear Assets Limited ("Linewear"), held direct interest in 92,336,000 Shares. Linewear is a wholly-owned subsidiary of Huarong International Financial Holdings Limited ("Huarong International"). Huarong International is held as to 21.01% by Camellia Pacific Investment Holding Limited ("Camellia Pacific") and as to 29.98% by Right Select International Limited ("Right Select"). Each of Camellia Pacific and Right Select is a wholly-owned subsidiary of China Huarong International Holdings Limited ("CHIH"). CHIH is held as to 15.16% by 華融致遠投資管理有限責任公司 (Huarong Zhiyuan Investment & Management Co., Ltd.*) ("HZY"), which is a wholly-owned subsidiary of CHAMCL, and 84.84% by CHAMCL. Accordingly, Linewear, Huarong International, Camellia Pacific, Right Select, CHIH, HZY and CHAMCL are deemed to be interested in the Shares held by Beyond Steady by virtue of the provisions of the SFO. According to the CHAMCL Notice, 中國華融資產管理股份有限公司(廣東省分公司) (China Huarong Asset Management Company Limited, (Guangdong Branch)*) ("CHAMCLGDBR") held direct interest in 1,586,000,000 Shares and is a wholly-owned subsidiary of CHAMCL. Accordingly, CHAMCL is deemed to be interested in the Shares held by CHAMCLGDBR by virtue of the provisions of the SFO.

* English name is translated for identification purpose only

SUBSTANTIAL SHAREHOLDER'S AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

(a) *(Continued)*

Notes: *(Continued)*

8. According to the disclosure of interest notices filed by CCAM, China Cinda (HK) Holdings Company Limited ("CCHK") and Cinda on 5 November 2024, Cinda held direct interest in 3,000,000,000 Shares. Cinda is a wholly-owned subsidiary of CCHK, which is in turn wholly-owned by CCAM. Accordingly, CCHK and CCAM are deemed to be interested in the Shares held by Cinda by virtue of the provisions of the SFO.
 9. The total number of issued Shares as at 30 June 2025 (i.e. 8,850,632,753 Shares) had been used for the calculation of the approximate percentage shareholdings in the Company.
- (b) Save as disclosed above, the Directors and the chief executive officer of the Company are not aware of any other persons (not being Directors or chief executive of the Company) as at 30 June 2025, who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Part XV of the SFO and were required to be kept under section 336 of the SFO.



PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions set out in Part 2 of the Corporate Governance Code (“CG Code”) contained in Appendix C1 to the Listing Rules then in force during the Period Under Review, except for the deviations specified below.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Code as contained in Appendix C3 to the Listing Rules. Specific enquiry has been made of all Directors, who confirmed that they have complied with the required standards set out in the Code during the Period Under Review.

AUDIT COMMITTEE

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

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

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

APPRECIATION

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

On behalf of the Board

Zhuguang Holdings Group Company Limited

Chu Hing Tsung

Chairman

Hong Kong, 29 August 2025