



九龍建業有限公司  
KOWLOON DEVELOPMENT COMPANY LIMITED

Stock Code 股份代號: 34



INTERIM REPORT  
中期報告

2025

# Kowloon Development Company Limited

## 九龍建業有限公司

Kowloon Development Company Limited (Stock Code: 34) has been engaged in property investment and investment holding with the operation of its business mainly in Hong Kong since its establishment. It has substantially broadened the areas of its business activity since the Polytec group gained the control of it in 2002. The Group is principally engaged in property development, property investment and property management in Hong Kong and Mainland China. It is determinedly committed to enhancing its competitive position, with its landbank amounting to approximately 2.9 million sq m of attributable gross floor area in Hong Kong and Mainland China as at 30 June 2025. The Group is also engaged in financial investments and investment holding.

九龍建業有限公司(股份代號：34)自成立以來一直從事物業投資及投資控股業務，其業務主要於香港營運。本公司自保利達集團於二零零二年入主起便大幅擴闊其業務範圍，集團主要於香港及中國大陸從事物業發展、物業投資及物業管理業務。集團致力提升本身之競爭優勢，於二零二五年六月三十日，其於香港及中國大陸土地儲備之應佔總樓面面積約2,900,000平方米。集團亦從事金融投資及投資控股業務。



Artist's Impression and Show Flats of Upper Manor (Hong Kong)

半山名滙(香港)之電腦構想圖及示範單位



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*Artist's Impression and  
Show Flat of Upper Manor (Hong Kong)*

# Corporate Information

## BOARD OF DIRECTORS AND COMMITTEES

### Board of Directors

#### Executive Directors

Mr Or Wai Sheun (*Chairman*)  
Mr Lai Ka Fai  
Mr Or Pui Kwan  
Mr Lam Yung Hei

#### Non-executive Directors

Ms Ng Chi Man  
Mr Yeung Kwok Kwong

#### Independent Non-executive Directors

Mr Li Kwok Sing, Aubrey  
Mr Lok Kung Chin, Hardy  
Mr Hsu Duff Karman

### Committees

#### Executive Committee

Mr Or Wai Sheun (*Chairman*)  
Mr Lai Ka Fai  
Mr Or Pui Kwan  
Mr Lam Yung Hei  
Mr Yeung Kwok Kwong

#### Audit Committee

Mr Hsu Duff Karman (*Chairman*)  
Mr Li Kwok Sing, Aubrey  
Mr Lok Kung Chin, Hardy  
Mr Yeung Kwok Kwong

#### Nomination Committee

Mr Hsu Duff Karman (*Chairman*)  
Mr Lok Kung Chin, Hardy  
Ms Ng Chi Man

#### Remuneration Committee

Mr Lok Kung Chin, Hardy (*Chairman*)  
Mr Li Kwok Sing, Aubrey  
Mr Hsu Duff Karman  
Mr Lai Ka Fai

## CORPORATE AND SHAREHOLDER INFORMATION

### Company Secretary

Ms Tse Wah Ting, Wendy

### Independent Auditor

KPMG

*Public Interest Entity Auditor*

*registered in accordance with*

*the Accounting and Financial Reporting Council Ordinance*

### Authorised Representatives

Mr Lai Ka Fai

Ms Tse Wah Ting, Wendy

### Legal Adviser

Sidley Austin

### Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wan Chai, Hong Kong

### Registered Office

23rd Floor, Pioneer Centre, 750 Nathan Road,  
Kowloon, Hong Kong  
Telephone : (852) 2396 2112  
Facsimile : (852) 2789 1370  
Website : [www.kdc.com.hk](http://www.kdc.com.hk)  
E-mail : [enquiry@kdc.com.hk](mailto:enquiry@kdc.com.hk)

### Stock Code

The Stock Exchange of Hong Kong: 34

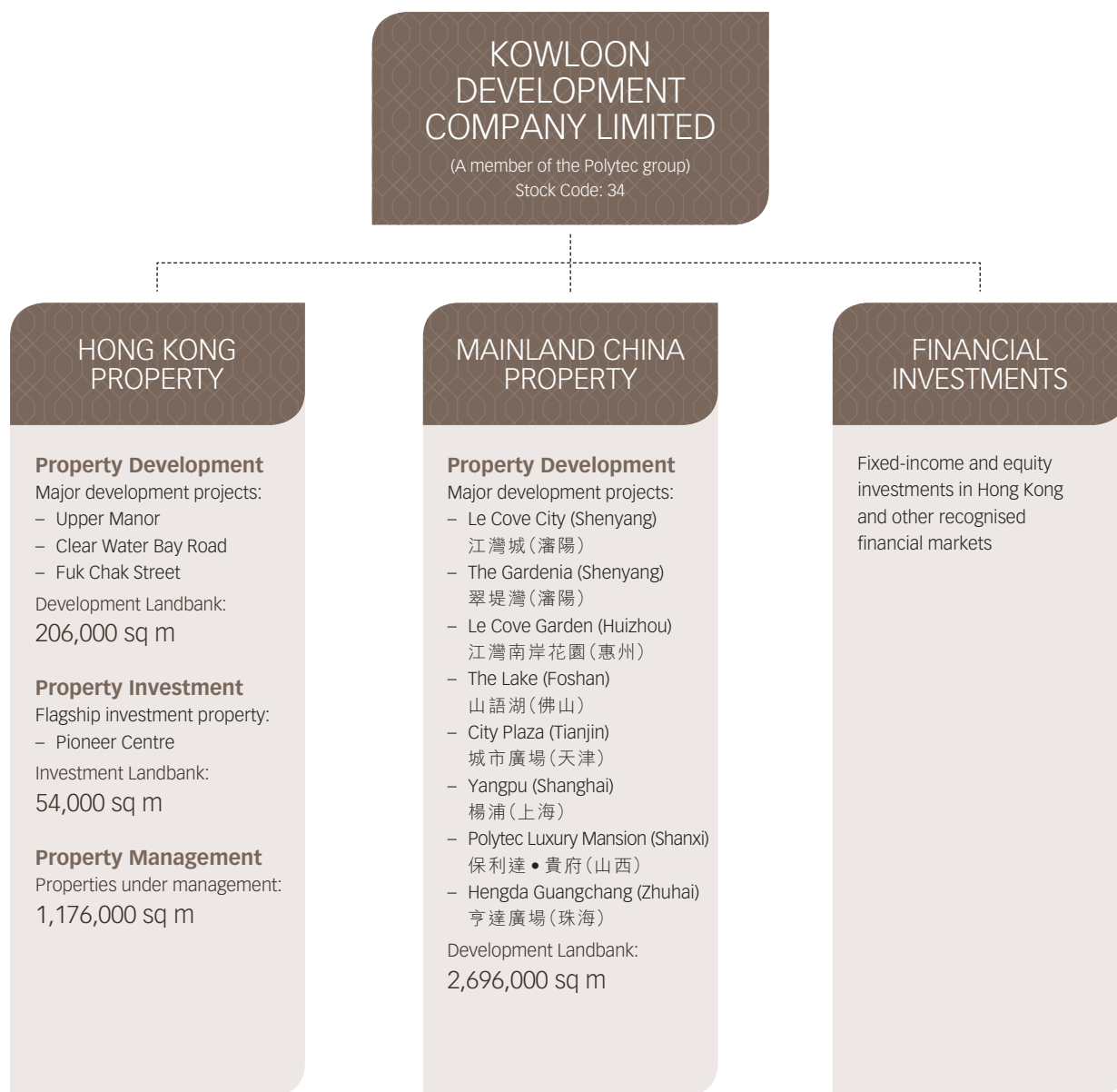
### Principal Bankers

Bank of China  
Bank of Communications  
Bank of East Asia  
China CITIC Bank International  
China Construction Bank  
Chong Hing Bank  
Dah Sing Bank  
DBS Bank  
Hang Seng Bank  
Tai Fung Bank  
United Overseas Bank

### Financial Calendar for Interim Results 2025

Interim results announcement	22 August 2025
Ex-dividend date for interim dividend	11 December 2025
Closure of register of members	15 December 2025 – 16 December 2025 (both dates inclusive)
Record date	16 December 2025
Interim dividend payable	7 January 2026

# Group's Business Structure



# Highlights

- For the six months ended 30 June 2025, underlying profit of the Group attributable to Shareholders amounted to HK\$312 million, compared to HK\$289 million in the corresponding period of 2024, representing an increase of 8.0%. However, this increase was offset by the effect of the scrip dividend in July 2024, resulting in underlying interim earnings per share for 2025 of HK\$0.239, slightly lower than HK\$0.246 in 2024.
- Taking into account fair value changes on the Group's interests in the property development and revaluation losses on its investment properties, the Group's unaudited profit attributable to Shareholders for the first half of 2025 amounted to HK\$125 million, compared to HK\$113 million in the corresponding period of 2024, representing an increase of 10.6%.
- Interim dividend for 2025 amounts to HK\$0.10 per share (2024: HK\$0.10).



*Show Flat of Upper Manor (Hong Kong)*

# Chairman's Statement



*Show Flat of Upper Manor (Hong Kong)*

## INTERIM RESULTS AND DIVIDEND

For the six months ended 30 June 2025, underlying profit of Kowloon Development Company Limited (the "Company") and its subsidiaries (collectively, the "Group") attributable to shareholders of the Company ("Shareholders") amounted to HK\$312 million, compared to HK\$289 million in the corresponding period of 2024, representing an increase of 8.0%. However, this increase was offset by the effect of the scrip dividend in July 2024, resulting in underlying interim earnings per share for 2025 of HK\$0.239, slightly lower than HK\$0.246 in 2024.

Taking into account fair value changes on the Group's interests in the property development and revaluation losses on its investment properties, the Group's unaudited profit attributable to Shareholders for the first half of 2025 amounted to HK\$125 million, compared to HK\$113 million in the corresponding period of 2024, representing an increase of 10.6%. However, this increase was offset by the effect of the scrip dividend in July 2024, resulting in the interim earnings per share for 2025 remaining at HK\$0.10, the same as HK\$0.10 for 2024.

The Board of Directors of the Company (the "Board") has declared an interim dividend of HK\$0.10 per share for 2025 (2024: HK\$0.10). The interim dividend will be payable on Wednesday, 7 January 2026 to shareholders whose names appear on the register of members of the Company on Tuesday, 16 December 2025.

### MARKET OVERVIEW AND BUSINESS REVIEW

In Hong Kong, due to the high market interest rates coupled with a large number of first-hand residential property projects available for sale at the start of this year, and despite the ramping up of incentives by developers to actively promote sales, there was continuous downward pressure on residential property prices. Fortunately, due to the Hong Kong Government's full abolition of stamp duties on property transactions and transfers (excluding the standard rate) at the end of February 2024, property transactions have been more active than before.

Starting in May, a significant influx of hot money into Hong Kong's banking system led to an immediate sharp decrease in the Hong Kong Interbank Offered Rate ("HIBOR"). HIBOR remained at a recent low by the end of June, catalysing both residential property sales and prices.

As for commercial buildings, both rental and sales prices recorded declines in the first half of the year due to persistently high vacancy rates and relatively weak demand. Retail shops have generally shown downward trends in both prices and rents, influenced by changes in consumer behaviour.

In Mainland China, despite the fact that the Central Government has implemented various property market stabilisation policies aimed at stabilising property prices and stimulating demand, the market response has temporarily failed to keep pace over the past six months.

#### **Development Property Sales**

In Hong Kong, the Group continued to promote the sale of the remaining units of its wholly-owned residential development project, namely Manor Hill, in Tseung Kwan O. Since the launch of the sale of Manor Hill and up to the end of June 2025, over 1,480 residential units have been sold, representing approximately 95% of the total number of units in the project, with sale proceeds of approximately HK\$1.4 billion being recognised for the period under review.

In Mainland China, total presales/sales of the Group's development projects amounted to approximately RMB671 million for the six months ended 30 June 2025, with presales/sales attributable to the Group of approximately RMB518 million based on its interests. Based on the Group's interests, sale proceeds attributable to the Group of approximately RMB756 million were recognised during the period under review, though their contribution to the Group's profits during the corresponding period was limited.

#### **Property Development**

In January 2025, the Group formed a joint venture with an independent third party. In accordance with the Land (Compulsory Sale for Redevelopment) Ordinance, the joint venture successfully unified the ownership of the lot located at Nos. 24, 26, 28 and 30 Fuk Chak Street, Kowloon, Hong Kong in February 2025. The site is proposed to be redeveloped into a high-rise commercial/residential composite building with a gross floor area ("GFA") of approximately 4,600 sq m.

## Chairman's Statement

As at 30 June 2025, the Group's landbank for development amounted to approximately 2.9 million sq m of attributable GFA. The Group's major property projects under planning and development are set out as follows:

### Major Property Projects under Planning and Development

Property Project	District/City	Usage	Approx. Total Site Area (sq m)	Approx. GFA (sq m)	Approx. GFA Booked <sup>*</sup> (sq m)	Group's Interest	Project Status	Expected Date of Completion
<b>Hong Kong</b>								
Upper Manor	Sai Ying Pun, Hong Kong	Residential & commercial	500	4,600	–	60%	Superstructure works in progress	First half 2026
Clear Water Bay Road	Ngau Chi Wan, Kowloon	Residential & commercial	22,400	201,000	–	100%	Superstructure works in progress	2027 – 2029
Fuk Chak Street	Tai Kok Tsui, Kowloon	Residential & commercial	500	4,600	–	50%	Ready for demolition	To be determined
<b>Mainland China</b>								
Le Cove City (Shenyang) 江灣城 (瀋陽)	Hun Nan Xin District, Shenyang	Residential & commercial	165,000	630,000	376,000	100%	Modification of planning for Phase 5A (approx. GFA of 40,000 sq m) in progress	Phase 5A to be determined
The Gardenia (Shenyang) 翠堤灣 (瀋陽)	Shenhe District, Shenyang	Residential & commercial	1,100,000	2,000,000	690,000	100%	Design approval for Phase 4 (approx. GFA of 249,000 sq m) in progress	Phase 4 to be determined
Le Cove Garden (Huizhou) 江灣南岸花園 (惠州)	Huicheng District, Huizhou	Residential & commercial	146,000	520,000	376,000	60%	Modification of design plan for Phase 3 (approx. GFA of 96,000 sq m) completed	Phase 3 to be determined
The Lake (Foshan) 山語湖 (佛山)	Nanhai District, Foshan	Residential & commercial	4,021,000	1,600,000	1,041,000	50%	Construction works for Phase 5 (approx. GFA of 83,000 sq m) completed	Remaining development to be determined
City Plaza (Tianjin) 城市廣場 (天津)	Hedong District, Tianjin	Residential, commercial & office	136,000	850,000	459,000	49%	Superstructure works for Phase 3B (approx. GFA of 280,000 sq m) in progress	Phase 3B end-2026
Yangpu (Shanghai) 楊浦 (上海)	Yangpu District, Shanghai	Residential, commercial & office	21,000	75,000	–	40%	Preliminary construction licence obtained; preparations for foundation works in progress	End-2029
Polytec Luxury Mansion (Shanxi) 保利達•貴府 (山西)	Jiexiu	Residential & commercial	181,000	463,000	55,000	100%	Planning works for Phase 2 (approx. GFA of 143,000 sq m) in progress	Phase 2 to be determined
Hengda Guangchang (Zhuhai) 亨達廣場 (珠海)	Xiangzhou District, Zhuhai	Commercial, office & apartment	38,000	199,000	–	70%	Superstructure works for Phase 1 (approx. GFA of 66,000 sq m) in progress	Phase 1 end-2025

<sup>\*</sup> Approx. GFA booked and recognised in the financial statements.

## Chairman's Statement

### Property Investment

Gross rental income generated from the Group's investment property portfolio in Hong Kong amounted to HK\$132 million in the first six months of 2025, compared to HK\$148 million in the corresponding period of 2024, representing a decrease of 10.8%.

### PROSPECTS

In the event that HIBOR remains relatively low and Hong Kong's overall economy can achieve healthy growth in the second half of the year, potential homebuyers and investors who have been hesitant may be encouraged to enter the market. The transaction volumes are expected to improve significantly, and prices may stabilise or even rise. In contrast, commercial buildings and retail shops are expected to continue adjusting in the second half of the year due to the pressure of an imbalanced market supply and demand.

In Hong Kong, Manor Hill, the Group's development project located in Tseung Kwan O, is expected to substantially complete the sale of its residential units in the second half of the year.

The Group will launch the sale of units at Upper Manor, a residential and commercial development project located on High Street in Sai Ying Pun where it holds a 60% interest, in the second half of the year. The project benefits from an outstanding location adjacent to the Sai Ying Pun MTR Station near Bonham Road, and is only two stops from Central's bustling financial and business hub. The neighbourhood is home to renowned educational institutions, including the University of Hong Kong within walking distance, and is also close to King George V Memorial Park. Higher-floor units offer stunning panoramic views of Victoria Harbour, perfectly balancing urban vibrancy and tranquil living. It is estimated that the sale of the project will be well received by the market.

The Group is working diligently to advance the superstructure works for the Clear Water Bay Road development project in Ngau Chi Wan. The project, with a GFA exceeding 2,000,000 sq ft, is currently the Group's foremost development project. Although the need to implement additional construction and administrative procedures to accommodate the development of the Government's proposed Smart and Green Mass Transit System in East Kowloon has deferred some of the works, the Group will do its utmost to catch up on the progress. Currently, the project is intended to be completed in phases with staged occupancy, striving for the first phase to be completed and occupied in the first half of 2027 or earlier.

The site of the Group's 50%-owned joint venture development project located on Fuk Chak Street in Tai Kok Tsui is ready for demolition, with construction scheduled to commence in 2026.

In Mainland China, the modification of design plan for the Phase 3 residential development of Le Cove Garden in Huizhou has been completed in accordance with the new regulations. Construction will commence upon obtaining approval from the relevant authorities and receiving the construction permit.

In Shenyang, the design approval for the Phase 4 development of The Gardenia is currently underway.

In Jiexiu, Shanxi, the Phase 1 development of Polytec Luxury Mansion, featuring over 700 units, has achieved satisfactory sales results. Approximately 75% of the units have already been sold, and it is expected that sales will be substantially completed within this year. The planning works for the Phase 2 development are in progress.

## Chairman's Statement

In Zhuhai, the Phase 1 development of Hengda Guangchang offers 1,192 apartments and three-storey retail shops. Construction is progressing smoothly, with completion and occupancy expected by the end of 2025.

The sale of the remaining units of the Group's joint venture development projects in Foshan and Tianjin will continue during this year. The construction works for the Phase 5 development of The Lake (Foshan) have been completed. As for City Plaza (Tianjin), the superstructure works for the Phase 3B development are in progress, with completion expected by the end of 2026.

The Yangpu project in Shanghai is the Group's 40%-owned joint venture development project. The preliminary construction licence has been obtained and preparations for the foundation works are currently underway.

The Group's development project, Le Cove City, in Wuxi has been completed, with sales activities progressing steadily.

Barring any unforeseen circumstances, the Group expects that sales from the development project, Manor Hill (completed), and the Group's rental income in Hong Kong will account for the majority of the Group's results and revenue in the second half of 2025.

Due to the challenging business environment in the property industry and the substantial capital demands of the Group's large-scale Clear Water Bay Road development project, which is in full-scale construction, the Group must currently adopt a conservative dividend policy.

In the first half of 2025, despite the property development markets in Mainland China and Hong Kong remaining in a challenging adjustment phase, the Group was still able to ensure profitability, which is truly commendable! This achievement is attributable to the leadership and support of the Board, along with the dedication and perseverance of our employees. Therefore, I would like to hereby express my sincerest gratitude!



**Or Wai Sheun**  
*Chairman*

Hong Kong, 22 August 2025



*Show Flat of Upper Manor (Hong Kong)*

# Financial Review

## FINANCIAL RESOURCES AND BANK BORROWINGS

As at 30 June 2025, the Group's total bank borrowings amounted to HK\$18,740 million, a reduction from HK\$19,125 million in 2024, comprising of HK\$1,709 million repayable within one year and HK\$17,031 million repayable after one year. With cash and bank balances totalling HK\$957 million, the Group's net bank borrowings have reduced to HK\$17,783 million as at 30 June 2025. Loan from a related company is recorded at HK\$1,744 million as of the same date. The Group's gearing ratio (calculated on the basis of net bank borrowings over total equity) was 100.9% as at 30 June 2025 (31 December 2024: 104.4%).

During the period, sales for the property projects in Hong Kong contributed cash inflows of approximately HK\$1,367 million to the Group, mainly from sales of Manor Hill. Furthermore, the Group recorded approximately HK\$368 million cash inflows from presales and sales of various development projects in Mainland China, mainly from presales and sales of Le Cove City, Wuxi and Polytec Luxury Mansion, Shanxi.

Our management has prioritised in reducing the Group's gearing ratio as part of its financial strategy. To achieve this, the Group has implemented a range of measures, including the strategic disposal of non-core assets with total amount of more than HK\$350 million during the years. By divesting these assets, the Group can sharpen its focus on core investments, which will not only lower debt levels but also enhance cash flow and create greater value for shareholders. Furthermore, the sale of the remaining units at Manor Hill, along with presales of Upper Manor (ready in the second half of the year) and the Clear Water Bay Road project (next year) in Hong Kong, as well as presales and sales of various projects in Mainland China, are expected to generate additional cash inflows in the coming years. This will further strengthen the Group's financial position.

During the period, the Group has cautiously advanced its development projects in Hong Kong and Mainland China and expended a total of approximately HK\$657 million for construction costs.

During the period, a joint venture formed by the Group with an independent third party achieved unified ownership of the various properties located at Nos. 24, 26, 28, and 30 Fuk Chak Street, Hong Kong in February 2025 through a compulsory sale successfully and the demolition works will be commenced shortly.

All the Group's borrowings are arranged on a floating rate basis. The Group will closely monitor and manage its exposure to interest rate fluctuations and will consider engaging in relevant hedging arrangements when appropriate.

With the investments in Mainland China, the Group is exposed to exchange fluctuations in RMB. Using revenue and cash generated from the development projects in Mainland China and borrowings in RMB, serves as a natural hedge against the exchange rate risk of RMB.

With the financing facilities in place, recurrent income from investment properties, cash inflows from presales/sales of the Group's development projects and the financial support from a related company, the Group has sufficient financial resources to satisfy its commitments and future funding requirements.

### CAPITAL COMMITMENTS

As at 30 June 2025, the Group had commitments mainly in connection with the Group's investment properties amounting to HK\$94 million.

### PLEDGE OF ASSETS

As at 30 June 2025, properties having a value of HK\$26,421 million and deposits of HK\$13 million were pledged to banks and insurance companies mainly to secure banking facilities and performance bonds extended to the Group.

### CONTINGENT LIABILITIES

As at 30 June 2025, the Group had given guarantees to financial institutions in respect of performance bonds entered into by a subsidiary to the extent of HK\$38 million.

# Independent Review Report of the Auditor



**To the board of directors of  
Kowloon Development Company Limited**  
*(Incorporated in Hong Kong with limited liability)*

## Introduction

We have reviewed the interim financial report set out on pages 14 to 34, which comprises the consolidated statement of financial position of Kowloon Development Company Limited (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2025 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, “Interim financial reporting” as issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, “Interim financial reporting”.

### **KPMG**

Certified Public Accountants  
8th Floor, Prince’s Building  
10 Chater Road  
Central, Hong Kong

22 August 2025

# Consolidated Income Statement

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000 (unaudited)	2024 \$'000 (unaudited)
<b>Revenue</b>	3	<b>2,428,801</b>	1,940,947
Cost of sales		<b>(1,275,466)</b>	(916,223)
Other revenue		<b>13,276</b>	25,960
Other net expenses		<b>(582)</b>	(2,792)
Depreciation and amortisation		<b>(6,184)</b>	(10,155)
Staff costs		<b>(302,600)</b>	(318,985)
Selling, marketing and distribution expenses		<b>(359,402)</b>	(206,929)
Other operating expenses		<b>(70,832)</b>	(66,839)
Fair value changes on investment properties	8	<b>(186,798)</b>	(189,846)
Fair value changes on interests in property development		<b>(293)</b>	14,050
<b>Profit from operations</b>		<b>239,920</b>	269,188
Finance costs	4(a)	<b>(73,965)</b>	(85,140)
Share of profits of associated companies		<b>6,315</b>	16,044
Share of profits/(losses) of joint ventures		<b>23,531</b>	(747)
<b>Profit before taxation</b>	4	<b>195,801</b>	199,345
Income tax	5	<b>(80,680)</b>	(86,241)
<b>Profit for the period</b>		<b>115,121</b>	113,104
<b>Attributable to:</b>			
Shareholders of the Company		<b>124,556</b>	113,453
Non-controlling interests		<b>(9,435)</b>	(349)
<b>Profit for the period</b>		<b>115,121</b>	113,104
<b>Earnings per share - Basic and diluted</b>	6	<b>\$ 0.10</b>	\$ 0.10

The notes on pages 20 to 34 form part of the interim financial report.

# Consolidated Statement of Comprehensive Income

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2025 \$'000 (unaudited)	2024 \$'000 (unaudited)
<b>Profit for the period</b>	<b>115,121</b>	113,104
<b>Other comprehensive income for the period</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	<b>20,012</b>	(32,719)
Release of exchange reserves on translation of financial statement of subsidiaries outside Hong Kong	–	17,082
Share of other comprehensive income of joint ventures and associated companies	<b>79,171</b>	(18,925)
	<b>99,183</b>	(34,562)
<b>Total comprehensive income for the period</b>	<b>214,304</b>	78,542
<b>Attributable to:</b>		
Shareholders of the Company	<b>223,038</b>	78,987
Non-controlling interests	<b>(8,734)</b>	(445)
<b>Total comprehensive income for the period</b>	<b>214,304</b>	78,542

The notes on pages 20 to 34 form part of the interim financial report.

# Consolidated Statement of Financial Position

(Expressed in Hong Kong dollars)

	Note	At 30 June 2025 \$'000 (unaudited)	At 31 December 2024 \$'000 (audited)
<b>Non-current assets</b>			
Investment properties	8	13,295,290	13,416,380
Property, plant and equipment		212,271	217,631
Interests in property development	9	1,232,238	1,239,499
Interest in joint ventures		1,588,019	1,898,578
Interest in associated companies		2,320,253	2,245,931
Trade and other receivables	11	67,427	68,716
Loans and advances	11	162,195	178,250
Deferred tax assets		132,146	129,013
		<b>19,009,839</b>	<b>19,393,998</b>
<b>Current assets</b>			
Inventories	10	20,508,918	21,278,307
Interests in property development	9	458,100	451,132
Trade and other receivables	11	630,662	642,582
Loans and advances	11	15,891	17,132
Other financial assets		9,664	20,895
Amount due from a joint venture		56,674	112,883
Cash and bank balances		956,812	791,467
		<b>22,636,721</b>	<b>23,314,398</b>
<b>Current liabilities</b>			
Trade and other payables	12	2,663,313	3,231,671
Amount due to a joint venture		–	557,725
Amount due to an associated company		43,445	42,784
Bank loans	14	1,709,454	2,374,807
Current taxation		340,339	301,250
		<b>4,756,551</b>	<b>6,508,237</b>
<b>Net current assets</b>		<b>17,880,170</b>	<b>16,806,161</b>
<b>Total assets less current liabilities</b>		<b>36,890,009</b>	<b>36,200,159</b>

# Consolidated Statement of Financial Position

(Expressed in Hong Kong dollars)

	Note	At 30 June 2025 \$'000 (unaudited)	At 31 December 2024 \$'000 (audited)
<b>Non-current liabilities</b>			
Loan from a related company	13	<b>1,744,006</b>	1,378,777
Bank loans	14	<b>17,030,976</b>	16,749,987
Deferred tax liabilities		<b>489,942</b>	503,869
		<b>19,264,924</b>	18,632,633
<b>NET ASSETS</b>		<b>17,625,085</b>	17,567,526
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>9,307,169</b>	9,307,169
Reserves		<b>8,230,265</b>	8,163,972
<b>Total equity attributable to the shareholders of the Company</b>		<b>17,537,434</b>	17,471,141
<b>Non-controlling interests</b>		<b>87,651</b>	96,385
<b>TOTAL EQUITY</b>		<b>17,625,085</b>	17,567,526

Approved and authorised for issue by the board of directors on 22 August 2025.

The notes on pages 20 to 34 form part of the interim financial report.

# Consolidated Statement of Changes in Equity

(Expressed in Hong Kong dollars)

	Note	Attributable to shareholders of the Company					Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Capital reserve \$'000	Exchange reserves \$'000	Retained profits \$'000	Total \$'000		
At 1 January 2024		8,636,490	(176,595)	(269,663)	9,479,206	17,669,438	98,533	17,767,971
Changes in equity for the six months ended 30 June 2024								
Profit for the period		–	–	–	113,453	113,453	(349)	113,104
Other comprehensive income		–	–	(34,466)	–	(34,466)	(96)	(34,562)
Total comprehensive income		–	–	(34,466)	113,453	78,987	(445)	78,542
At 30 June and 1 July 2024		8,636,490	(176,595)	(304,129)	9,592,659	17,748,425	98,088	17,846,513
Changes in equity for the six months ended 31 December 2024								
Profit for the period		–	–	–	2,209	2,209	(793)	1,416
Other comprehensive income		–	–	(148,872)	–	(148,872)	(910)	(149,782)
Total comprehensive income		–	–	(148,872)	2,209	(146,663)	(1,703)	(148,366)
Dividends approved in respect of the previous year	7(b)	–	–	–	(670,679)	(670,679)	–	(670,679)
Dividends approved in respect of the current year	7(a)	–	–	–	(130,621)	(130,621)	–	(130,621)
Shares issued in respect of scrip dividends of 2023 final dividend	7(b)	670,679	–	–	–	670,679	–	670,679
At 31 December 2024		9,307,169	(176,595)	(453,001)	8,793,568	17,471,141	96,385	17,567,526
<b>(unaudited) At 1 January 2025</b>		<b>9,307,169</b>	<b>(176,595)</b>	<b>(453,001)</b>	<b>8,793,568</b>	<b>17,471,141</b>	<b>96,385</b>	<b>17,567,526</b>
<b>Changes in equity for the six months ended 30 June 2025</b>								
Profit for the period		–	–	–	124,556	124,556	(9,435)	115,121
Other comprehensive income		–	–	98,482	–	98,482	701	99,183
Total comprehensive income		–	–	98,482	124,556	223,038	(8,734)	214,304
Dividend approved in respect of the previous year	7(b)	–	–	–	(156,745)	(156,745)	–	(156,745)
<b>At 30 June 2025</b>		<b>9,307,169</b>	<b>(176,595)</b>	<b>(354,519)</b>	<b>8,761,379</b>	<b>17,537,434</b>	<b>87,651</b>	<b>17,625,085</b>

The notes on pages 20 to 34 form part of the interim financial report.

# Condensed Consolidated Cash Flow Statement

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2025 \$'000 (unaudited)	2024 \$'000 (unaudited)
<b>Net cash generated from operating activities</b>		<b>836,699</b>	1,076,035
<b>Investing activities</b>			
Proceeds from disposal of subsidiaries	15	–	126,865
Additions to investment properties		(33,645)	(21,128)
Other cash flows arising from investing activities		4,109	(809)
<b>Net cash (used in)/generated from investing activities</b>		<b>(29,536)</b>	104,928
<b>Financing activities</b>			
Drawdown of bank loans		7,024,200	1,680,700
Repayment of bank loans		(7,408,564)	(1,845,716)
Interest paid		(411,411)	(626,462)
Increase/(Decrease) in loan from a related company		282,506	(452,691)
Dividend paid to shareholders of the Company		(130,469)	(305,533)
<b>Net cash used in financing activities</b>		<b>(643,738)</b>	(1,549,702)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>163,425</b>	(368,739)
<b>Cash and cash equivalents at 1 January</b>		<b>791,467</b>	1,080,599
<b>Effect of foreign exchange rate changes</b>		<b>1,920</b>	(3,028)
<b>Cash and cash equivalents at 30 June</b>		<b>956,812</b>	708,832
<b>Analysis of balances of cash and cash equivalents at 30 June</b>			
Cash and bank balances		956,812	708,832
Cash and cash equivalents		956,812	708,832

The notes on pages 20 to 34 form part of the interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting”, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 13.

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

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 2 Changes in Accounting Policies

The Group has applied the amendments to HKAS 21, "The effects of changes in foreign exchange rates – Lack of exchangeability", issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 3 Segment Reporting

The Group manages its business by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified the following reportable segments.

- Property development segment (Hong Kong/Mainland China): the development and sale of properties and interests in property development. Given the importance of the property development division to the Group, the Group's property development business is segregated further into two reportable segments on a geographical basis.
- Property investment segment: the leasing of properties to generate rental income and to gain from the appreciation in the properties' values in the long term.
- Other businesses segment: mainly includes the provision of property management services, the provision of finance services and treasury operations.

Revenue comprises mainly rental income from properties, gross proceeds from sale of properties, income from interests in property development, property management service income and interest income.

Reportable segment profit represents profit before taxation by excluding fair value changes on interests in property development and investment properties, finance costs and head office and corporate income/expenses.

Reportable segment assets include all tangible and current assets with the exception of deferred tax assets, cash and bank balances and other corporate assets.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 3 Segment Reporting *(Continued)*

#### (a) Disaggregation of revenue

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
<b>Revenue from contracts with customers within the scope of Hong Kong Financial Reporting Standards ("HKFRS") 15:</b>		
Sale of properties	2,019,276	1,445,633
Property management service income	194,268	232,300
Others	71,011	78,037
	2,284,555	1,755,970
<b>Revenue from other sources:</b>		
Rental income	132,151	147,555
Others	12,095	37,422
	2,428,801	1,940,947

#### (b) Segment results and assets

Information regarding the Group's reportable segments as provided to the Group's top management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Six months ended 30 June 2025				
	Property development				Others (Remark 1)
	Total	Hong Kong	Mainland China	Property investment	
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,428,801	1,419,027	600,249	132,151	277,374
Reportable segment profit/(loss)	498,697	364,467	46,460	102,532	(14,762)
Fair value changes on investment properties	(186,798)	–	–	(186,798)	–
Fair value changes on interests in property development	(293)	–	(293)	–	–
Head office and corporate expenses	(41,840)				
Finance costs	(73,965)				
Profit before taxation	195,801				
Share of profits of associated companies	6,315	–	6,315	–	–
Share of profits of joint ventures	23,531	–	23,531	–	–

Remark 1: Others included revenue from property management services of \$194,268,000 (six months ended 30 June 2024: \$232,300,000) and the relevant segment loss of \$19,541,000 (six months ended 30 June 2024: segment profit of \$3,454,000).

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 3 Segment Reporting (Continued)

### (b) Segment results and assets (Continued)

	Six months ended 30 June 2024				
	Property development			Property investment	Others (Remark 1)
	Total	Hong Kong	Mainland China		
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	1,940,947	1,174,307	271,326	147,555	347,759
Reportable segment profit	497,394	346,022	5,024	118,469	27,879
Fair value changes on investment properties	(189,846)	–	–	(189,846)	–
Fair value changes on interests in property development	14,050	–	14,050	–	–
Head office and corporate expenses	(37,113)				
Finance costs	(85,140)				
Profit before taxation	199,345				
Share of profits of associated companies	16,044	–	16,044	–	–
Share of losses of joint ventures	(747)	–	(747)	–	–
	At 30 June 2025				
	Property development			Property investment	Others (Remark 2)
	Total	Hong Kong	Mainland China		
	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	40,475,189	15,383,133	11,199,793	13,312,565	579,698
Deferred tax assets	132,146				
Cash and bank balances	956,812				
Head office and corporate assets	82,413				
Total assets	41,646,560				
Interest in associated companies	2,320,253	–	2,320,253	–	–
Interests in and amount due from joint ventures	1,644,693	136,723	1,507,970	–	–

Remark 2: Others included reportable segment assets of property management services amounting to \$130,503,000 (31 December 2024: \$157,465,000).

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 3 Segment Reporting *(Continued)*

#### (b) Segment results and assets *(Continued)*

	At 31 December 2024				
	Total	Property development		Property investment	Others <i>(Remark 2)</i>
		Hong Kong	Mainland China		
	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	41,711,337	15,654,496	11,990,731	13,432,025	634,085
Deferred tax assets	129,013				
Cash and bank balances	791,467				
Head office and corporate assets	76,579				
<b>Total assets</b>	<b>42,708,396</b>				
Interest in associated companies	2,245,931	–	2,245,931	–	–
Interests in and amount due from joint ventures	2,011,461	–	2,011,461	–	–

### 4 Profit Before Taxation

Profit before taxation is arrived at after charging/(crediting) the amounts as set out below.

#### (a) Finance costs

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Interest on bank loans	<b>377,164</b>	543,149
Interest on loan from a related company	<b>45,692</b>	73,904
Less: Amount capitalised <i>(Remark)</i>	<b>(348,891)</b>	(531,913)
	<b>73,965</b>	85,140

Remark: Borrowing costs were capitalised at rates of 1.89% – 6.98% (six months ended 30 June 2024: 4.98% – 6.98%) per annum.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 4 Profit Before Taxation *(Continued)*

#### (b) Other items

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Rentals receivable under operating leases less outgoings	(104,215)	(121,462)
Rental income	(132,151)	(147,555)
Less: Outgoings	27,936	26,093
Depreciation and amortisation	6,184	10,155
Interest income	(12,095)	(36,425)

### 5 Income Tax

Taxation in the consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
<b>Current tax</b>		
Provision for profits tax		
– Hong Kong	75,780	77,775
– Outside Hong Kong	9,188	397
<b>Land appreciation tax ("LAT")</b>	84,968	78,172
<b>Withholding tax</b>	20	818
<b>Deferred tax</b>	13,830	–
	(18,138)	7,251
	80,680	86,241

The provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2024: 16.5%) of the estimated assessable profits for the six months ended 30 June 2025. Tax levied in jurisdictions outside Hong Kong is charged at the appropriate current rates of taxation ruling in relevant jurisdictions.

Under the Provisional Regulations on LAT in Mainland China, all gains arising from the transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditure including the cost of land use rights, borrowing costs and all property development expenditure.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 6 Earnings Per Share

#### (a) Basic earnings per share

The calculation of basic earnings per share are based on the profit attributable to shareholders of the Company of \$124,556,000 (six months ended 30 June 2024: \$113,453,000) and the weighted average number of ordinary shares in issue during the period of 1,306,206,058 (six months ended 30 June 2024: 1,176,631,296).

#### (b) Diluted earnings per share

There were no dilutive potential shares in existence during the six months ended 30 June 2025 and 2024.

### 7 Dividends

#### (a) Dividends attributable to the interim period

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Interim dividend declared after the interim period of \$0.10 (six months ended 30 June 2024: \$0.10) per share	130,621	130,621

The interim dividend declared after the interim period has not been recognised as a liability at the interim period end date.

#### (b) Dividends attributable to the previous financial year and approved during the interim period

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved during the interim period, of \$0.12 (six months ended 30 June 2024: \$0.57) per share ( <i>Remark</i> )	156,745	670,679

Remark: The Board of Directors recommended the payment of a Final Dividend of HK\$0.57 per share for the year ended 31 December 2023 by way of Scrip Shares. A circular containing further details of the Scrip Dividend Scheme was despatched by the Company to the Shareholders on 9 July 2024.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 8 Investment Properties

The investment properties of the Group were revalued at 30 June 2025 by Vigers Appraisal and Consulting Limited, an external qualified professional valuer, who has appropriate qualifications and experience in the valuation of similar properties in the relevant locations. The Group's investment properties are revalued semi-annually by using the income capitalisation approach with reference to comparable sales transactions as available in the market. The Group's investment properties under development are revalued semi-annually by estimating the fair value of such properties as if they were completed in accordance with relevant development plan, which makes reference to the average selling prices based on certain comparable sales transactions in the market and adjusted for differences such as location, size, timing and other factors collectively, and then deducting the estimated cost to complete the construction.

A revaluation loss of \$186,798,000 (six months ended 30 June 2024: \$189,846,000) was recognised in profit or loss during the six months ended 30 June 2025.

### 9 Interests in Property Development

Interests in property development represent the Group's interests in the development of various properties located at Huizhou and Zhuhai in Mainland China under co-investment agreements with a related company, Polytec Holdings International Limited ("Polytec Holdings"). Interests in property development are stated at fair value at the end of the reporting period.

As at 30 June 2025, interests in property development of \$458,100,000 (31 December 2024: \$451,132,000) was expected to be recoverable within one year and was classified as current assets.

### 10 Inventories

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Properties held for future development	<b>828,670</b>	1,098,703
Properties under development	<b>15,493,980</b>	15,174,481
Properties held for sale	<b>4,182,788</b>	5,001,058
Trading goods and consumables	<b>3,480</b>	4,065
	<b>20,508,918</b>	21,278,307

The amount of properties held for future development and properties under development expected to be recovered after more than one year is \$828,670,000 (31 December 2024: \$1,098,703,000) and \$15,493,980,000 (31 December 2024: \$15,174,481,000) respectively. All of the other inventories are expected to be recovered within one year.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 11 Trade and Other Receivables/Loans and Advances

The following is an ageing analysis (based on the due date) of trade receivables and loans and advances (net of loss allowance):

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Current	<b>351,261</b>	368,761
Within 3 months	<b>11,640</b>	39,186
3 months to 6 months	<b>1,046</b>	568
More than 6 months	<b>20,068</b>	17,002
Trade receivables and loans and advances	<b>384,015</b>	425,517
Utility and other deposits	<b>14,813</b>	18,937
Prepaid tax	<b>83,645</b>	85,087
Other receivables and prepayments	<b>393,702</b>	377,139
	<b>876,175</b>	906,680
Representing:		
Non-current assets	<b>229,622</b>	246,966
Current assets	<b>646,553</b>	659,714
	<b>876,175</b>	906,680

Utility and other deposits of the Group of \$7,439,000 (31 December 2024: \$8,993,000) are expected to be recovered after more than one year.

The Group maintains a defined credit policy. An ageing analysis of trade receivables and loans and advances is prepared on a regular basis and is closely monitored to minimise any credit risk associated with the receivables and loans and advances.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 12 Trade and Other Payables

The following is an ageing analysis (based on the due date) of trade payables:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Not yet due or on demand	<b>1,794,532</b>	2,006,034
Within 3 months	<b>147</b>	293
Trade payables	<b>1,794,679</b>	2,006,327
Rental and other deposits	<b>123,628</b>	80,413
Other payables and accrued expenses	<b>485,202</b>	620,285
Contract liabilities – deposits received on sale of properties	<b>259,804</b>	524,646
	<b>2,663,313</b>	3,231,671

### 13 Loan from a Related Company

Loan from a related company is unsecured, interest bearing at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin per annum and is not expected to be repaid within one year.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 14 Bank Loans

At the end of the reporting period, bank loans were repayable as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Within 1 year or on demand	<b>1,709,454</b>	2,374,807
After 1 year but within 2 years	<b>9,921,530</b>	380,870
After 2 years but within 5 years	<b>7,109,446</b>	16,369,117
	<b>17,030,976</b>	16,749,987
	<b>18,740,430</b>	19,124,794

At the end of the reporting period, bank loans were secured and unsecured as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Bank loans		
– secured	<b>18,680,930</b>	18,985,294
– unsecured	<b>59,500</b>	139,500
	<b>18,740,430</b>	19,124,794

Interest on bank loans is charged at HIBOR plus a margin per annum in Hong Kong or by reference to interest rates for term loans published by the People's Bank of China.

# Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

## 15 Notes to Condensed Consolidated Cash Flow Statement

	Six months ended 30 June	
	2025 \$'000	2024 \$'000
<b>Fair value of net assets of subsidiaries disposed</b>		
Property, plant and equipment	–	69
Inventories	<b>274,065</b>	3,732,706
Trade and other receivables	<b>102</b>	7,392
Cash and cash equivalents	–	12,331
Tax recoverable	<b>113</b>	–
Trade and other payables	<b>(19,307)</b>	(57,845)
Bank loans	–	(1,374,725)
Net assets disposed and total consideration received on disposal of subsidiaries	<b>254,973</b>	2,319,928
Deposit received in prior years	<b>(124,100)</b>	–
<b>Total consideration for disposal of subsidiaries</b>	<b>130,873</b>	2,319,928
Satisfied by:		
Consideration settled through loan from a related company	–	1,252,761
Fair value of interest recognised as “Interest in joint ventures” in the consolidated statement of financial position	<b>130,873</b>	–
Fair value of interest retained and recognised as “Interest in associated companies” in the consolidated statement of financial position	–	927,971
Cash	–	139,196
<b>Total consideration for disposal of subsidiaries</b>	<b>130,873</b>	2,319,928
<b>Analysis of net cash inflow from disposal of subsidiaries</b>		
Cash consideration received	–	139,196
Cash and cash equivalents disposed of	–	(12,331)
<b>Net cash inflow from disposal of subsidiaries</b>	–	126,865

On 23 January 2025, the Group had entered into agreements for the disposals of 100% equity interest of certain wholly owned subsidiaries together with the assignment of shareholder's loans for an aggregate consideration of \$277,798,000. The completion of these disposals took place on the same date.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 15 Notes to Condensed Consolidated Cash Flow Statement *(Continued)*

On 1 February 2024, the Group had entered into an agreement with Polytec Holdings for the disposal of 60% equity interest of certain wholly owned subsidiaries together with the assignment of 60% shareholder's loan for an aggregate consideration of \$1,391,957,000. The completion of this disposal took place on 11 June 2024.

### 16 Fair Value Measurement of Financial Instruments

#### Financial assets and liabilities measured at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, "Fair value measurement", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
<b>Assets</b>		
Level 1		
Other financial assets		
– Listed equity securities in Hong Kong	–	10,752
Level 2		
Other financial assets		
– Unlisted investment fund	9,664	10,143
Level 3		
Interests in property development	1,690,338	1,690,631

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2024: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of unlisted investment fund was determined with reference to the fair value of underlying investment portfolio and adjustments of related transaction costs.

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 16 Fair Value Measurement of Financial Instruments *(Continued)*

The movement during the period in the balance of Level 3 fair value measurement is as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
At 1 January	<b>1,690,631</b>	1,689,424
Changes in fair value recognised in profit or loss	<b>(293)</b>	1,207
At 30 June/31 December	<b>1,690,338</b>	1,690,631

Interests in property development are stated at their fair value measured using a discounted cash flow model. In preparing the discounted cash flow model, management estimates the future cash flows expected to arise from the interests in property development and a suitable discount rate based on the past performance, current market conditions, development and building plans, sale and marketing plans and management's expectations for market development and terms provided under the co-investment agreements. Any adverse change in the key assumption could decrease the fair value.

The Group has a team reporting to the top management which performs the valuation of the interests in property development required for financial reporting purposes. Discussions of valuation processes and results are held between the top management and the team at least once every six months, in line with the Group's half-yearly reporting dates. The key unobservable market data used in the model of a development project at Huizhou and Zhuhai in Mainland China includes estimated selling prices of the underlying properties which are derived from observable market data, including average market prices of properties in Mainland China, with certain adjustments to reflect the impacts of those factors on the development. The adjustments to the average market selling price range from -10% to +10%.

The fair value measurement is positively correlated to adjustments to the selling prices of the underlying property. As at 30 June 2025, it is estimated that an increase/decrease of 5% in the expected/forecasted selling price of the underlying properties at Huizhou and Zhuhai of the Group's interests in property development, with all other variables held constant, would have increased/decreased the Group's retained profits by \$65,304,000/\$49,448,000 (31 December 2024: \$65,866,000/\$42,502,000).

### 17 Capital Commitments

Capital commitments outstanding at the end of the reporting period contracted but not provided for in the financial statements amounted to \$93,677,000 (31 December 2024: \$77,594,000).

### 18 Contingent Liabilities

As at 30 June 2025, the Group had given guarantees to financial institutions in respect of performance bonds entered into by a subsidiary to the extent of \$38,419,000 (31 December 2024: \$38,419,000).

## Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars)

### 19 Pledge of Assets

As at 30 June 2025, properties having a value of approximately \$26,420,739,000 (31 December 2024: \$26,925,746,000) and deposits of \$13,279,000 (31 December 2024: \$14,279,000) were pledged to banks and insurance companies mainly to secure banking facilities and performance bonds extended to the Group.

### 20 Material Related Party Transactions

In addition to the transactions and balances disclosed above, the Group also entered into the following material related party transactions:

- (a) As at 30 June 2025, certain bank loans were secured by properties and shares of subsidiaries of Polytec Holdings and the Group having a total value of \$2,668,605,000 (31 December 2024: \$2,668,605,000) and guaranteed by these subsidiaries.
- (b) As at 30 June 2025, loan to a joint venture of \$5,850,000 (31 December 2024: \$219,500,000 was unsecured, interest-bearing at fixed rate and was not expected to be repaid within one year) was unsecured, interest-free and was not expected to be repaid within one year. As at 30 June 2025, the amount due from a joint venture of \$56,674,000 (31 December 2024: \$112,883,000) and the amount due to a joint venture of Nil (31 December 2024: \$557,725,000) were unsecured, interest-free and recoverable/repayable on demand.
- (c) As at 30 June 2025, loan to an associated company of \$1,560,656,000 (31 December 2024: \$1,503,419,000) was unsecured, interest-free and was not expected to be repaid within one year. During the six months ended 30 June 2025, interest income of \$9,431,000 was recognised in profit or loss and included in the share of profits of associated companies. As at 30 June 2025, accumulated accrued interest income of approximately RMB123,000,000 (31 December 2024: RMB132,000,000) due from an associated company had not been recognised as the Group considers it is not probable that the economic benefits will flow to the Group as at the end of the reporting period.
- (d) As at 30 June 2025, properties with an aggregate value of \$582,383,000 (31 December 2024: \$1,085,640,000) were held on trust by the subsidiaries of Polytec Holdings.
- (e) During the six months ended 30 June 2024, the Group had made partial repayment of a loan from a related company by assigning cash flows of certain debt securities amounting to \$47,981,000 to a related company.

# Other Information

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2025, the Company has complied with all code provisions set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), with the exception of Code Provisions C.2.1 and F.2.2 (which has been renumbered to Code Provision F.1.3 with effect from 1 July 2025) as explained below:

### Code Provision C.2.1

Mr Or Wai Sheun has performed the combined role as the chairman of the Board and the chief executive taking charge of the overall operations of the Group. The reason for deviation from the code provision was disclosed in the Annual Report 2024.

### Code Provision F.2.2

Mr Or Wai Sheun, the chairman of the Board and the then chairman of the Nomination Committee of the Company (the “Nomination Committee”) (who ceased to act as the chairman of the Nomination Committee with effect from 1 July 2025), was unable to attend the Annual General Meeting of the Company held on 4 June 2025 (the “2025 AGM”) due to a medical treatment. In his absence, an Executive Director of the Company was invited to chair the 2025 AGM and the members of the Nomination Committee were invited to attend and were available to answer questions at the 2025 AGM.

## SECURITIES TRADING POLICY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) (Appendix C3 to the Listing Rules) as a code of conduct regarding Directors’ securities transactions. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period under review and all the Directors have confirmed that they had fully complied with the required standard set out in the Model Code. The Company has also established written guidelines on employees’ securities transactions. Relevant employees are required to obtain written preclearance before initiating a securities transaction during the blackout period.

## CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors required to be disclosed are set out below:

1. Mr Or Wai Sheun, the chairman of the Board and an Executive Director, ceased to act as the chairman of the Nomination Committee with effect from 1 July 2025.
2. Mr Hsu Duff Karman, an Independent Non-executive Director, has been re-designated as the chairman of the Nomination Committee with effect from 1 July 2025.
3. Ms Ng Chi Man, a Non-executive Director, has been appointed as a member of the Nomination Committee with effect from 1 July 2025.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Other Information

### DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

During the six months ended 30 June 2025, the Company had no disclosure obligation pursuant to Rule 13.21 of the Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the six months ended 30 June 2025.

### DIRECTORS' INTERESTS AND SHORT POSITIONS

As at 30 June 2025, the interests of the Directors or chief executive of the Company in the shares of the Company as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance ("SFO") (Chapter 571 of the Laws of Hong Kong), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code, are set out below:

#### Long positions in the shares of the Company

Name	Nature of interest	Number of ordinary shares	Percentage of shareholding (Note 1)	Note
Mr Or Wai Sheun	Corporate	959,588,243	73.46%	2
Mr Lok Kung Chin, Hardy	Founder and beneficiary of trusts	1,581,926	0.12%	3
Mr Lai Ka Fai	Personal	833,703	0.06%	
Mr Yeung Kwok Kwong	Personal	199,822	0.02%	
Mr Or Pui Kwan	Personal	48,290	0.00%	
Mr Lam Yung Hei	Personal	16,101	0.00%	

Notes:

- (1) The percentage of shareholding is calculated based on 1,306,206,058 shares, being the total number of issued ordinary shares of the Company as at 30 June 2025.
- (2) Such interest in shares is held by Intellinsight Holdings Limited ("Intellinsight"), a wholly-owned subsidiary of New Explorer Developments Limited which is wholly-owned by Mr Or Wai Sheun.
- (3) Such interest in shares is owned by discretionary trusts of which Mr Lok Kung Chin, Hardy is the founder and a beneficiary respectively.

## Other Information

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

## SUBSTANTIAL SHAREHOLDER'S INTEREST

As at 30 June 2025, the substantial shareholder (other than the Directors or chief executive of the Company) who had an interest in the shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO is set out below:

Name	Nature of interest	Number of ordinary shares	Percentage of shareholding (Note 1)	Note
New Explorer Developments Limited	Corporate	959,588,243	73.46%	2

Notes:

- (1) The percentage of shareholding is calculated based on 1,306,206,058 shares, being the total number of issued ordinary shares of the Company as at 30 June 2025.
- (2) Such interest in shares is held by Intellinsight as described in note (2) under the section headed "Directors' Interests and Short Positions".

The interest disclosed above represents long position in the shares of the Company.

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Other Information

### HUMAN RESOURCES

As at 30 June 2025, the Group had a total of 2,214 employees (31 December 2024: 2,476 employees), of which 2,101 were Hong Kong staff and 113 were Mainland China staff. During the period, total staff costs decreased to HK\$316 million (30 June 2024: HK\$329 million). Salary levels of employees are competitive. Discretionary bonuses are granted based on the performance of the Group as well as the performance of individuals to attract, motivate and retain talented people.

The Group believes that the quality of its human resources is critical for it to maintain a strong competitive edge. The Group has conducted a range of training programmes through various institutions to strengthen employees' all-round skills and knowledge, aiming to well equip them to cope with their development in the ever-changing economy.

In addition, the Group established a recreation club and conducted lunch gatherings for employees during the period to promote team spirit and loyalty, and encourage communication among departments.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 15 December 2025 to Tuesday, 16 December 2025, both dates inclusive. During the aforementioned period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 pm (Hong Kong time) on Friday, 12 December 2025. The interim dividend will be payable to shareholders whose names appear on the register of members of the Company on Tuesday, 16 December 2025, being the record date for determination of entitlement to the interim dividend.

### REVIEW OF INTERIM FINANCIAL REPORT

The Audit Committee of the Company has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2025. The Group's independent auditor, KPMG, Certified Public Accountants, has conducted a review of the interim financial report in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, whose review report is contained on page 13 of this interim report.

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