



中國城市基礎設施集團有限公司

China City Infrastructure Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2349



INTERIM REPORT  
**2025**



## CONTENTS

Corporate Information	2
Condensed Consolidated Statement of Profit or Loss	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Cash Flow Statement	8
Notes to the Condensed Consolidated Financial Statements	9
Management Discussion and Analysis	22
Disclosure of Interests	25
Corporate Governance	30
Other Information	31

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Li Chao Bo (*Chairman and Chief Executive Officer*)  
Mr. Ji Jiaming

#### Non-executive Director

Mr. Zhang Guiqing

#### Independent non-executive Directors

Mr. Ng Chi Ho, Dennis  
Mr. Kwok Kin Wa  
Ms. Kwong Mei Wan, Cally

### AUDIT COMMITTEE

Mr. Ng Chi Ho, Dennis  
(*Committee Chairman*)  
Mr. Kwok Kin Wa  
Ms. Kwong Mei Wan, Cally

### REMUNERATION COMMITTEE

Mr. Kwok Kin Wa (*Committee Chairman*)  
Mr. Ng Chi Ho, Dennis  
Ms. Kwong Mei Wan, Cally

### NOMINATION COMMITTEE

Mr. Kwok Kin Wa (*Committee Chairman*)  
Mr. Ng Chi Ho, Dennis  
Ms. Kwong Mei Wan, Cally

### COMPANY SECRETARY

Mr. Chan Hoi Yin Anthony

### AUTHORISED REPRESENTATIVES

Mr. Li Chao Bo (*Chairman*)  
Mr. Chan Hoi Yin Anthony

### AUDITOR

Confucius International CPA Limited  
Certified Public Accountants

### WEBSITE

[www.city-infrastructure.com](http://www.city-infrastructure.com)

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### PRINCIPAL BANKERS

Chiyu Banking Corporation Limited  
No. 78 Des Voeux Road Central  
Hong Kong

DBS Bank (Hong Kong) Limited  
16th Floor, The Center  
No. 99 Queen's Road Central, Hong Kong

The Hong Kong and Shanghai Banking  
Corporation Limited  
Level 10, HSBC Main Building  
No. 1 Queen's Road Central, Hong Kong

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 6208, 62nd Floor  
Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	3	25,049	25,954
Cost of sales		(10,576)	(8,258)
Gross profit		14,473	17,696
Fair value loss of investment properties		(35,870)	(24,565)
Gain (loss) on disposal of subsidiaries	14	2	(957)
Allowance for expected credit losses on trade and other receivables, net of reversal	10	(228)	(19)
Loss on deregistration of a subsidiary	15	(184)	–
Other operating income		65	185
Other operating expenses		(52)	(21)
Selling and distribution expenses		(12)	(85)
Administrative expenses		(12,055)	(13,884)
Finance costs	4	(19,377)	(20,924)
Loss before tax		(53,238)	(42,574)
Income tax credit	5	8,967	6,141
<b>Loss for the period</b>	6	<b>(44,271)</b>	<b>(36,433)</b>
Loss for the period attributable to			
– Owner of the Company		(44,271)	(36,433)
– Non-controlling interest		–	–
		(44,271)	(36,433)
		HK cents	HK cents
<b>Loss per share</b>	8		
– Basic and diluted		(1.42)	(1.16)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the period	<b>(44,271)</b>	(36,433)
Other comprehensive expense for the period:		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operation	<b>32,865</b>	(14,636)
Release of special reserve upon deregistration of a subsidiary	<b>184</b>	–
Release of translation reserve upon disposal of a subsidiary	–	506
Release of translation reserve upon deregistration of a subsidiary	–	(270)
Total comprehensive expense for the period (net of tax)	<b>(11,222)</b>	(50,833)
Total comprehensive expense for the period attributable to:		
– Owner of the Company	<b>(11,222)</b>	(50,833)
– Non-controlling interest	–	–
	<b>(11,222)</b>	(50,833)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	240	288
Investment properties	9	1,034,505	1,036,596
Right-of-use assets		2,439	3,659
		<b>1,037,184</b>	1,040,543
<b>Current assets</b>			
Inventories		24	17
Trade and other receivables	10	21,120	18,818
Bank balances and cash		4,032	9,721
		<b>25,176</b>	28,556
<b>TOTAL ASSETS</b>		<b>1,062,360</b>	1,069,099
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	11	312,828	312,828
Reserves		277,446	288,668
		<b>590,274</b>	601,496
Equity attributable to owners of the Company		1	1
Non-controlling interest			
		<b>590,275</b>	601,497

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		60,733	67,570
Borrowings – due after one year	12	359,997	349,576
Deposits received for lease of properties		3,157	2,774
Lease liabilities – due after one year		–	1,293
		<b>423,887</b>	421,213
<b>Current liabilities</b>			
Trade and other payables	13	25,339	26,042
Contract liabilities		1,063	1,437
Deposits received for lease of properties		7,922	7,625
Tax payable		349	338
Borrowings – due within one year	12	10,989	8,510
Lease liabilities – due within one year		2,536	2,437
		<b>48,198</b>	46,389
<b>TOTAL LIABILITIES</b>		<b>472,085</b>	467,602
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,062,360</b>	1,069,099
<b>NET CURRENT LIABILITIES</b>		<b>(23,022)</b>	(17,833)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,014,162</b>	1,022,710

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Subtotal HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
<b>At 1 January 2025 (audited)</b>	312,828	1,741,104	6,183	(184)	306	(81,764)	(1,376,977)	601,496	1	601,497
Loss for the period	-	-	-	-	-	-	(44,271)	(44,271)	-	(44,271)
Release of special reserve upon deregistration of a subsidiary	-	-	-	184	-	-	-	184	-	184
Translation exchange differences	-	-	-	-	-	32,865	-	32,865	-	32,865
Total comprehensive expenses for the period	-	-	-	184	-	32,865	(44,271)	(11,222)	-	(11,222)
Share options lapsed	-	-	(6,183)	-	-	-	6,183	-	-	-
<b>At 30 June 2025 (unaudited)</b>	312,828	174,104	-	-	306	48,899	(1,415,065)	590,274	1	590,275

For the six months ended 30 June 2024

	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
<b>At 1 January 2024 (audited)</b>	312,828	1,741,104	6,183	(184)	303	(92,643)	(1,311,192)	656,399
Loss for the period	-	-	-	-	-	-	(36,433)	(36,433)
Release of translation reserve upon disposal of a subsidiary	-	-	-	-	-	506	-	506
Release of translation reserve upon deregistration of a subsidiary	-	-	-	-	-	(270)	-	(270)
Translation exchange differences	-	-	-	-	-	(14,636)	-	(14,636)
Total comprehensive expenses for the period	-	-	-	-	-	(14,400)	(36,433)	(50,833)
<b>At 30 June 2024 (unaudited)</b>	312,828	1,741,104	6,183	(184)	303	(107,043)	(1,347,625)	605,566



# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(829)</b>	<b>(848)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1)	(88)
Net cash inflow (outflow) on disposal of a subsidiary	2	(793)
Interest received	61	76
<b>NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>62</b>	<b>(805)</b>
<b>FINANCING ACTIVITIES</b>		
Capital element of lease rental paid	(1,194)	(1,335)
Interest element of lease rental paid	(121)	(15)
Interest paid	(5,460)	(6,161)
New borrowings raised	11,368	19,375
Repayment of borrowings	(4,348)	(14,130)
<b>NET CASH GENERATION FROM (USED IN) FINANCING ACTIVITIES</b>	<b>245</b>	<b>(2,266)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(522)	(3,919)
Effect of foreign exchange rate changes	(5,167)	1,344
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,721	12,566
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,032</b>	<b>9,991</b>
ANALYSIS OF CASH AND CASH EQUIVALENTS representing bank balances and cash as stated in the consolidated statement of financial position	4,032	9,991

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

*For the six months ended 30 June 2025*

## 1. BASIS OF PREPARATION

China City Infrastructure Group Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 9 October 2002. The address of the registered office and principal place of business of the Company is disclosed in the “Corporate Information” section of this report.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 25 June 2003. The directors of the Company (the “Directors”) consider that Linkway Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, is a substantial shareholder of the Company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the “Group”) are property investment, property development and property management in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company.

The condensed consolidated interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### 2.1 Application of amendments to International Financial Reporting Standards

In the current interim period, the Group has applied the following new and amended Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA for the first time:

Amendments to HKAS 21

Lack of Exchangeability

The application of these new and amended HKFRSs did not have any material impact on the Group's condensed consolidated interim financial information.

The Group has not early adopted the new and amendments HKFRSs, which have been issued but are not yet effective for the current period. The Group has commenced an assessment of the related impact, but is not yet in a position to state whether any substantial changes to the Group's accounting policies and presentation of the financial information will be resulted.

### 2.2 Basis for preparation of condensed consolidated financial statements

As at 30 June 2025, the Group has net current liabilities position of approximately HK\$23,022,000. The Directors have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future after considering the followings:

- (a) the Group has secured loan facilities from a financial institution by pledging investment properties, with undrawn bank facilities amounting to approximately RMB99,960,000 as at 30 June 2025;
- (b) the Group will accelerate the collection of outstanding trade and other receivables; and
- (c) the Group applies cost control measures in the cost of sales and administrative expenses and maintains containment of capital expenditures.

In view of the above circumstances, the Directors expects that the Group will have sufficient liquidity to meet its financial obligations that will be due in the coming twelve months from 30 June 2025. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

*For the six months ended 30 June 2025*

## 3. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of annual reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. Specifically, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions, which is the same information reported to the chief operating decision maker.

The Group's operating segments are as follows:

- Property Development Business Segment engaging in development of property projects in the PRC
- Property Investment Business Segment engaging in leasing of investment properties in the PRC
- Property Management Business Segment engaging in provision of property management and other services in the PRC

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 3. SEGMENT INFORMATION (continued)

### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

**For the six months ended 30 June 2025**

	Property Development Business HK\$'000 (unaudited)	Property Investment Business HK\$'000 (unaudited)	Property Management Business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>TOTAL REVENUE AND EXTERNAL SALES</b>	-	16,869	8,180	25,049
<b>RESULT</b>				
Segment operating results	(261)	8,795	546	9,080
Fair value gain in respect of investment properties revaluation	-	(35,870)	-	(35,870)
Gain on disposal of subsidiaries				2
Unallocated corporate income				37
Unallocated corporate expense				(7,110)
Finance costs				(19,377)
Loss before tax				(53,238)
Income tax credit				8,967
Loss for the period				(44,271)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 3. SEGMENT INFORMATION (continued)

### Segment revenues and results (continued)

For the six months ended 30 June 2024

	Property Development Business HK\$'000 (unaudited)	Property Investment Business HK\$'000 (unaudited)	Property Management Business HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>TOTAL REVENUE AND EXTERNAL SALES</b>	–	17,867	8,087	25,954
<b>RESULT</b>				
Segment operating results	(401)	9,188	2,227	11,014
Fair value gain in respect of investment properties revaluation	–	(24,565)	–	(24,565)
Loss on disposal of a subsidiary				(957)
Unallocated corporate income				129
Unallocated corporate expense				(7,271)
Finance costs				(20,924)
Loss before tax				(42,574)
Income tax credit				6,141
Loss for the period				(36,433)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 4. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest expense on bank loans and other borrowings	19,256	20,909
Interest expense on lease liabilities	121	15
	19,377	20,924

## 5. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
Hong Kong Profits Tax	–	–
PRC Enterprise Income Tax ("EIT")	–	–
PRC Land Appreciation Tax ("LAT")	–	–
Current tax charge for the period	–	–
Deferred tax credit for the period	(8,967)	(6,141)
	(8,967)	(6,141)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 5. INCOME TAX CREDIT (continued)

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit subject to Hong Kong Profits Tax during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

The Group's PRC EIT is calculated based on the applicable tax rates on assessable profits, if applicable.

LAT in the PRC is levied at the applicable tax rate on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting):

	Six months ended 30 June 2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Staff costs, including directors' emoluments	10,509	9,515
Retirement benefits scheme contributions, including contributions for directors	536	547
Total staff costs	11,045	10,062
Depreciation of property, plant and equipment	59	82
Depreciation of right-of-use assets	1,220	1,486
Gross rental income from investment properties	(16,869)	(17,867)
Less: Direct operating expenses from investment properties that generate rental income	5,472	3,835
	(11,397)	(14,032)



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 7. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 8. LOSS PER SHARE

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss attributable to equity holders of the Company	<b>(44,271)</b>	(36,433)
	<b>Number of shares</b>	
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b>3,128,278,542</b>	3,128,278,542
	<b>HK cents per share</b>	
Basic loss per share	<b>(1.42)</b>	(1.16)

Diluted loss per share was not presented for both periods because the impact of the exercise of share options was anti-dilutive.

## 9. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The fair value of the Group's investment properties at 30 June 2025 and 31 December 2024 has been arrived at on the basis of a valuation carried out on the respective dates by Peak Vision Appraisals Limited, an independent qualified professional valuer not connected to the Group, who possesses the appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

*For the six months ended 30 June 2025*

## 9. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of investment properties in Wuhan (Future City Shopping Centre, Future Mansion Carparks and Zhongshui • Longyang Plaza Carparks) was arrived at with the adoption of a combination of direct comparison method and investment method by Peak Vision Appraisals Limited. Direct comparison method assumes the property is capable of being sold in its existing state with the benefit of immediate vacant possession and makes reference to comparable sales evidence as available in the relevant markets. Investment method takes into account the current rents passing and the reversionary income potential of the property. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The resulting decrease in fair value of investment properties of approximately HK\$35,870,000 (six months ended 30 June 2024: decrease of approximately HK\$24,565,000) has been recognised directly in the condensed consolidated statement of profit or loss and other comprehensive income.

During the six months ended 30 June 2025, the Group did not dispose of any investment properties (six months ended 30 June 2024: nil). On the other hand, it acquired property, plant and equipment at a total cost of approximately HK\$2,000 (six months ended 30 June 2024: approximately HK\$88,000).

Details of the pledged investment properties and property, plant and equipment as at 30 June 2025 and 31 December 2024 are set out in Note 16.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Trade receivables		
– contracts with customers	3,421	2,561
– property investment business	14,232	12,761
Less: accumulated allowance for expected credit losses	(4,899)	(4,822)
	12,754	10,500
Prepayments and deposits	5,705	5,246
Other receivables	7,417	7,677
Less: accumulated allowance for expected credit losses	(4,756)	(4,605)
	8,366	8,318
	21,120	18,818

An aging analysis of trade receivables (net of allowance for credit losses) based on invoice dates at the end of the reporting period is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Within 90 days	2,838	2,536
91 to 180 days	3,009	1,251
Over 180 days	6,907	6,713
	12,754	10,500

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 11. SHARE CAPITAL

	Number of ordinary shares HK\$0.1 each Share(s)	Amount HK\$'000
Authorised:		
At 1 January 2024 (audited) and 30 June 2024 (unaudited)	5,000,000,000	500,000
Issued and fully paid:		
As 1 January 2024 (audited) and 30 June 2024 (unaudited)	3,128,278,542	312,828

All shares rank pari passu with the shares in issue in all respects.

## 12. BORROWINGS

During the six months ended 30 June 2025, the Group obtained new borrowings of approximately HK\$19,375,000 (six months ended 30 June 2024: approximately HK\$19,375,000), and made repayments in the amount of approximately HK\$14,130,000 (six months ended 30 June 2024: approximately HK\$14,130,000). These borrowings born interest at 5.00% to 8.00% per annum (year ended 31 December 2024: 6.20% to 8.00% per annum).

## 13. TRADE AND OTHER PAYABLES

An aging analysis of the Group's trade payables at the end of the reporting period based on invoice date is as follows:

	As at 30 June 2025 HK\$'000 (unaudited)	As at 31 December 2024 HK\$'000 (audited)
Within 90 days	–	53
91 to 180 days	1	131
Over 180 days	6,790	6,003
Trade payables	6,791	6,187
Interest payables	794	1,150
Accrued expenses and other tax payable	6,641	6,736
Other payables	11,113	11,969
	25,339	26,042

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 13. TRADE AND OTHER PAYABLES (continued)

Trade payables principally comprise amounts outstanding for dismantling costs of prior hotel business, construction materials and construction work of inventory of properties and investment properties.

The Directors consider that the carrying amount of trade and other payables approximate to their fair value.

## 14. DISPOSAL OF SUBSIDIARIES

During the period ended 30 June 2025, the Group disposed of 100% equity interest in First Dynasty Limited ("First Dynasty") and China Environment Investment Limited ("China Environment") at a total consideration of HK\$2,000. The disposals were completed in March 2025.

	First Dynasty HK\$'000	China Environment HK\$'000	Total HK\$'000
Net assets being disposed of	–	–	–
Less: consideration received	(2)	–	(2)
Gain on disposal	(2)	–	(2)
Cash consideration	2	–	2
Less: Cash and cash equivalents	–	–	–
Net cash inflow arising on the disposal	2	–	2

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 June 2025

## 15. DEREGISTRATION OF SUBSIDIARY

During the period ended 30 June 2025, the Group deregistered a wholly-owned subsidiary, Wah Yuen Foods International Limited ("Wah Yuen Foods Int").

Net assets of the deregistered subsidiary at its date of deregistration are as follows:

	<b>Wah Yuen Foods Int</b> <i>HK\$'000</i>
Current assets	–
Current liabilities	–
Net assets disposal of	–
Release of special reserve	(184)
Loss on deregistration	(184)

There was no net inflow/outflow of cash and cash equivalents in respect of the deregistration of subsidiary during the year.

## 16. PLEDGE OF ASSETS

At the end of reporting period, the following assets were pledged by the Group to banks to secure general banking facilities granted to the Group, and their respective carrying amounts are as follows.

	<b>As at 30 June 2025 HK\$'000 (unaudited)</b>	As at 31 December 2024 HK\$'000 (audited)
Investment properties situated in the PRC	<b>435,581</b>	422,604

## 17. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2025 and 31 December 2024, the Group had no significant contingent liabilities and commitments.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is engaged in property related business. In order to devote more resources to meet the strategic direction of the Group's business, the Group may sell the whole or a portion of Group's property portfolio depending on the market and market value of the property portfolio. In support of further business development of the Group, the management is actively looking for the potential projects which is compatible with the Group's principal activities.

### BUSINESS REVIEW

#### The Property Investment Business

Wuhan Future City Commercial Property Management Company Limited was formed by the Group to operate the Future City Shopping Centre ("Future City") owned by the Group. Future City is located at Luo Shi Road South within close proximity to the Luoyu Road shopping belt and the Jiedao Kou station of metro line No. 2. The total leasable area of Future City is approximately 55,029 sq.m. with carparks included. Future City is situated in the heart of business and commercial centre of Hongshan District in Wuhan City, convenient to East Lake, Wuhan University, Wuhan University of Technology and other landmarks. Future City now becomes a fashionable, dynamic and international shopping centre to cater for the growing demand from the surrounding business centres and university region (more than twenty universities and tertiary education institutions including Wuhan University and Wuhan University of Technology) with 1,000,000 students and residential consumers. As at 30 June 2025, the aggregate fair value of the Future City was approximately HK\$926.4 million. During the six months ended 30 June 2025 (the "Current Period"), the rental income generated from the Future City was approximately HK\$14.9 million (six months ended 30 June 2024: approximately HK\$17.4 million) and the average occupancy rate was around 88.2% (30 June 2024: 89.8%).

The Group has total gross floor area of Future Mansion's carparks and Zhongshui • Longyang Plaza Carparks was 7,723.06 sq.m. and 135,173.09 sq.m. respectively, and as at 30 June 2025, the fair value of the carparks was approximately HK\$15.6 million and HK\$92.5 million respectively.

As at 30 June 2025, the aggregate fair value of the Future City, Future Mansion's carparks and Zhongshui • Longyang Plaza's Carparks held by the Group was approximately HK\$1,034.5 million (31 December 2024: approximately HK\$1,036.6 million). During the year ended 31 December 2024, the rental income generated from the investment properties was approximately HK\$16.9 million (six months ended 30 June 2024: approximately HK\$17.9 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### The Property Management Business

Wuhan Future City Property Management Company Limited, the indirect wholly owned subsidiary of the Company, provides residents and tenants with safe, modern, comfortable and high quality property management services. During the Current Period, the revenue generated from property management was approximately HK\$8.2 million (six months ended 30 June 2024: approximately HK\$8.1 million).

The Group established a branch office, Wuhan Future City Property Management Company Limited (Henan Branch)\* in August 2024 and entered a property management service contract with a third party in December 2024. The branch office contributed property management service income of approximately HK\$1.7 million for the Current Period.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group for the Current Period decreased to approximately HK\$25.0 million (six months ended 30 June 2024: approximately HK\$26.0 million). The decrease was mainly due to the reduction in the rental income and property management income of Future City.

Comparing the six months ended 30 June 2024 to the Current Period, revenue from property management business increased from approximately HK\$8.1 million to approximately HK\$8.2 million, whereas revenue from property investment business decreased from approximately HK\$17.9 million to approximately HK\$16.9 million.

#### Cost of Sales

Cost of sales increased from approximately HK\$8.2 million for the six months ended 30 June 2024 to approximately HK\$10.6 million for the Current Period, primarily due to the increase in the property management service cost of the Wuhan Future City Property Management Company Limited (Henan Branch) and the staff costs of the two carparks.

During the Current Period, the Group's cost of sales comprises of those from property investment segment of approximately HK\$5.5 million (six months ended 30 June 2024: HK\$3.8 million) and property management business of approximately HK\$5.1 million (six months ended 30 June 2024: HK\$4.4 million).

#### Gross Profit and Gross Profit Margin

Gross profit increased from HK\$17.7 million for the six months ended 30 June 2024 to approximately HK\$14.5 million for the Current Period. The Group had an overall gross profit margin of 57.8% for the Current Period, as compared to 68.2% for the corresponding six months in 2024. The decrease in the gross profit margin was primarily attributable to the decrease in the gross profit margin of the property investment business.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Change in Fair Value of the Investment Properties

There was a loss of approximately HK\$35.9 million for the Current Period arising from change in fair value of the investment property portfolio in the PRC held by the Group comparing to that of a loss of approximately HK\$24.6 million for the six months ended 30 June 2024.

### Administrative Expenses

The administrative expenses decreased by approximately 12.9% to approximately HK\$12.1 million for the Current Period from approximately HK\$13.9 million for the corresponding six months in 2024, primarily due to the decrease in legal and professional fee and staff costs.

### Finance Costs

The finance costs decreased to approximately HK\$19.4 million for the Current Period from approximately HK\$20.9 million for the corresponding six months in 2024 due to the decrease in interest expense on borrowings of approximately HK\$1.7 million.

### Income Tax Credit

The income tax credit for the Current Period was approximately HK\$9.0 million (six months ended 30 June 2024: credit of approximately HK\$6.1 million). The amount was primarily attributable to the deferred tax credit arising from fair value loss in respect of investment properties revaluation during the Current Period.

### Loss Attributable to Owners of the Company

The loss attributable to owners of the Company for the six months ended 30 June 2025 amounted to approximately HK\$44.3 million (six months ended 30 June 2024: approximately HK\$36.4 million). The increase was mainly attributable to the fair value loss of the investment properties during the Current Period.

### Liquidity, Financial and Capital Resources

#### **Cash Position**

As at 30 June 2025, total bank balances and cash of the Group amounted to approximately HK\$4.0 million (31 December 2024: HK\$9.7 million).

#### **Borrowings and Charges on the Group's Assets**

As at 30 June 2025, the Group's total debts included borrowings of approximately HK\$371.0 million (31 December 2024: HK\$358.1 million). Amongst the borrowings, approximately HK\$11.0 million (31 December 2024: approximately HK\$8.5 million) was repayable within one year and approximately HK\$360.0 million (31 December 2024: approximately HK\$349.6 million) was repayable after one year.

At 30 June 2025, certain investment properties with an aggregate carrying amount of approximately HK\$435.6 million (31 December 2024: approximately HK\$422.6 million) were pledged as security for certain banking facilities granted to the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Gearing and Current Ratios***

The gearing ratio was 62.2% as at 30 June 2025 (31 December 2024: 57.9%). The gearing ratio was measured by net debt (aggregated borrowings net of bank balances and cash) over the equity attributable to owners of the Company. The current ratio (current assets divided by current liabilities) was 0.52 (31 December 2024: 0.62).

### **OUTLOOK AND FUTURE PLAN**

Looking forward to the second half of 2025, the global political situation is experiencing a high degree of unrest, the business environment remains complicated and grim. China's economy is struggling for recovery amid external instability and uncertainties as well as internal challenges. It is undisputed that the China's economy will achieve growth in long run. The Group will continue to pay close attention to the domestic and international political and economic developments, as well as changes in market trends, respond flexibly and make prudent decisions. The management is actively looking for the potential projects which is compatible with the Group's principal activities including infrastructure related business.

## DISCLOSURE OF INTERESTS

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

As at 30 June 2025, the interests and the short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

#### (i) Long positions in shares at 30 June 2025

Name of Director	Capacity	Notes	Number of underlying shares	Approximate percentage of shareholding
Mr. Li Chao Bo	Beneficial owner	(1)	728,912,000	23.30%
Mr. Ji Jiaming	Beneficial owner	(2)	100,000,000	3.20%

Notes:

- (1) Mr. Li Chao Bo is the sole beneficial owner of Linkway Investment Holdings Limited which in turn owns 728,912,000 shares of the Company. Mr. Li Chao Bo was appointed as the Chairman and an Executive Director of the Company with effect from 31 March 2016, and as the chief executive officer of the Company with effective from 25 July 2022.
- (2) Mr. Ji Jiaming holds 50% of Double Joy Developments Limited and is a director of Double Joy Developments Limited, which in turn owns 100,000,000 shares of the Company.

Save as disclosed above, at 30 June 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DISCLOSURE OF INTERESTS

### SHARE OPTIONS

The following table discloses movements in the Company's share options during the Current Period.

Category	Date of grant	Exercise price (HK\$)	Exercise period	Number of share options					As at 30 June 2025
				As at 1 January 2025	Granted during the period	Exercised during the period	Expired during the period	Lapsed during the period	
Consultant	16/06/2015	0.88	16/06/2015 to 15/06/2025	5,000,000	-	-	(5,000,000)	-	-
Consultant	25/06/2015	0.91	25/06/2015 to 24/06/2025	20,445,948	-	-	(20,445,948)	-	-
				25,445,948	-	-	(25,445,948)	-	-

Saved as disclosed above, at no time during the period ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

On 5 June 2025, the shareholders of the Company at the annual general meeting approved the adoption of a new share option scheme (the "New Scheme"). The New Scheme will expire on 5 June 2035.

Under the current refreshed Scheme mandate limit, the share options carrying the rights to subscribe for 312,827,854 shares (representing approximately 10% of issued share capital of the Company as at 5 June 2025 (the date of annual general meeting)) were available for granting by the Company as at 30 June 2025.

## DISCLOSURE OF INTERESTS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders of the Company maintained under Section 336 of the SFO shows that as at 30 June 2025, the Company had been notified of the following substantial shareholders' interests and short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital.

#### (i) Long positions in the shares at 30 June 2025

Name of substantial Shareholder	Capacity/ Notes Nature of interest	Number of ordinary shares	Approximate percentage of shareholding
Linkway Investment Holdings Limited ("LIHL")	(1) Beneficial owner and interest of controlled corporation	728,912,000	23.30%
Good Outlook Investments Limited	(2) Beneficial owner and interest of controlled corporation	215,683,681	6.89%
China Financial International Investments Limited ("CFIIL")	(3) Beneficial owner	698,079,429	22.32%
China Financial International Investments and Managements Limited	(4) Investment manager	290,079,429	9.27%
Capital Focus Asset Management Limited	(4) Investment manager	290,079,429	9.27%
Fu Lam Wu	(5) Beneficial owner	200,000,000	6.39%

## DISCLOSURE OF INTERESTS

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

*Notes:*

- (1) These Shares were held by LIHL. Mr. Li Chao Bo ("Mr. Li") is the sole beneficial owner of LIHL. Mr. Li has beneficially interested in the said Shares.
- (2) The company is a company incorporated in the British Virgin Island with limited liability.
- (3) These Shares were held by CFIL (Stock Code: 721). Therefore, CFIL have beneficially interested in the said Shares.
- (4) These Shares were held by CFIL. China Financial International Investments and Managements Limited ("CFIIM") is 51% owned by Capital Focus Asset Management Limited ("Capital Focus") and 29% by owned CFIL. Accordingly, for the purposes of the SFO, CFIIM and Capital Focus are deemed to have the same interests in the Company as CFIL, being in the capacity of investment manager of CFIL.
- (5) She is an independent third party.

Save as disclosed above, the Company has not been notified by any persons or corporations, other than the Directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO as at 30 June 2025.

## CORPORATE GOVERNANCE

### COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Listing Rules, except for certain deviations which are summarised below:

#### (1) Code Provision A.2.1

Under this code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, Mr. Li Chao Bo is acting as both the chairman of the Board (the “Chairman”) and the Chief Executive Officer (the “CEO”). The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of two executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

#### (2) Code Provision A.4.2

Under this code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. According to the articles of association of the Company, at each annual general meeting, one third of the Directors shall retire from office by rotation provided that notwithstanding anything therein, the chairman of the Board (the “Chairman”) shall not be subject to retirement by rotation or taken into account in determining the number of directors to retire. As continuation is a key factor to the successful long term implementation of business plans, the Board believes that the roles of the chairman provide the Group with strong and consistent leadership and allow more effective planning and execution of long-term business strategy. As such, the Board is of the view that the Chairman should not be subject to retirement by rotation.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code set out in Appendix C3 of the Listing Rules (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors.

Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Current Period.

## OTHER INFORMATION

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the total number of employees stood at approximately 121 (30 June 2024: 114). Total staff costs for the Current Period was approximately HK\$10.5 million (six months ended 30 June 2024: approximately HK\$10.1 million). The Group offers its workforce comprehensive remuneration and employees' benefits packages.

### INTERIM DIVIDEND

The Board resolved that the Company would not declare the payment of an interim dividend for the Current Period (six months ended 30 June 2024: Nil).

### PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SHARES

During the Current Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's ordinary shares.

### FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Group had not executed any agreement in respect of material investment or capital asset and did not have any further plans relating to material investment or capital asset as at the date of this report. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

### Significant Investment

The Group had no significant investment held as at 30 June 2025.

### Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Current Period.



## OTHER INFORMATION

### CHANGE IN DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee is accountable to the Board and the primary duties of the audit committee include the review and supervision of the Group's financial reporting process and internal controls. The audit committee currently comprises Mr. Ng Chi Ho, Dennis (the chairman of audit committee), Mr. Kwok Kin Wa and Ms. Kwong Mei Wan, Cally, who are the independent non-executive Directors of the Company.

The audit committee has reviewed the unaudited condensed consolidated financial results of the Group for the Current Period.

### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms) required under the Listing Rules; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information on the Group is available on the website of the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and stakeholders; and (v) the Company's Registrar deals with shareholders for share registration and related matters.