

Knutsford
Terrace

Soundwill
Plaza

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability

2025

中期報告
INTERIM REPORT

股份代號
Stock Code
0878

金朝陽集團有限公司^{*}
SOUNDWILL HOLDINGS LIMITED



CONTENTS



2	Corporate Information
3	Financial Highlights
5	Management Discussion and Analysis
14	Other Information
21	Consolidated Statement of Profit or Loss and Other Comprehensive Income
24	Consolidated Statement of Financial Position
26	Consolidated Statement of Changes in Equity
28	Condensed Consolidated Cash Flow Statement
29	Notes to the Condensed Consolidated Interim Financial Statements



CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS:

FOO Kam Chu Grace
CHAN Wai Ling (*Deputy Chairman*)
CHAN Hing Tat (*Chairman*)
TSE Wai Hang

INDEPENDENT NON-EXECUTIVE DIRECTORS:

CHAN Kai Nang
PAO Ping Wing
YOUNG Chun Man, Kenneth

COMPANY SECRETARY

TSE Wai Hang

EXTERNAL AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor

INTERNAL AUDITOR

Crowe (HK) Risk Advisory Limited

LEGAL ADVISORS

Lo, Wong & Tsui
Conyers & Dill & Pearnan

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F, Soundwill Plaza
No. 38 Russell Street
Causeway Bay, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of Communications Co., Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM1179, Hamilton HM EX
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

SHARE INFORMATION

PLACE OF LISTING

The Main Board of The Stock Exchange of Hong Kong Limited

STOCK CODE

00878

BOARD LOT

500 shares

WEBSITE

www.soundwill.com.hk

INVESTOR RELATIONS

E-mail: sw.ir@soundwill.com.hk

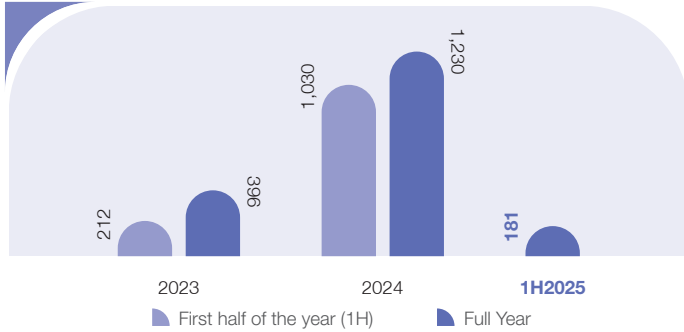
FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2025 (Unaudited) HK\$ million	2024 (Unaudited) HK\$ million
Revenue	180.7	1,030.1
Net fair value loss on investment properties	(1,423)	(1,324)
Loss attributable to owners of the Company	(1,337.6)	(974.8)
Basic loss per share (dollars)	HK\$(4.72)	HK\$(3.44)
	At 30 June 2025 (Unaudited) HK\$ million	At 31 December 2024 (Audited) HK\$ million
Total assets	16,617	17,975
Net assets	14,345	15,677
Total borrowings	1,350	1,360
Gearing ratio	9%	9%
Net asset value per share (dollars)	HK\$50.6	HK\$55.3

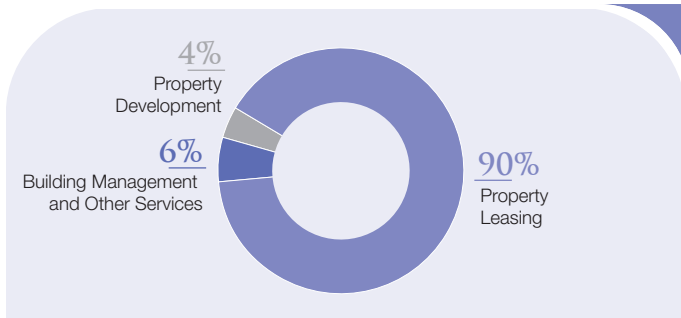
04 FINANCIAL HIGHLIGHTS (CONTINUED)

GROUP'S TOTAL REVENUE

HK\$ million

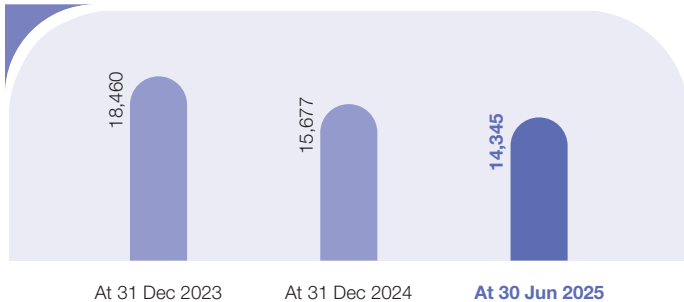


GROUP'S REVENUE MIX FOR THE SIX MONTHS ENDED 30 JUNE 2025



GROUP'S NET ASSET VALUE

HK\$ million



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Increased unpredictability and numerous disruptions affected the global political and economic landscape in the first half of 2025. Frequent policy changes together with ongoing trade disputes severely damaged investment sentiment and undermined business confidence. We also observed an increase in operating costs, especially for small and medium-sized businesses, caused by rising global prices, regional geopolitical tensions and growing conflicts. Consequently, the economic recovery slowed, and investor and policy uncertainty weighed down the world's financial markets.

In this challenging environment, Hong Kong experienced poor economic performance and stalled growth momentum due to a combination of domestic and international factors. Although the Hong Kong SAR Government implemented policies designed to alleviate the situation, their success was limited. Overall confidence could not be restored by short-term increases in exports and tourism, and economic momentum continued to deteriorate as local consumer sentiment declined. Investors remained cautious, and the asset market came under pressure. Given this generally gloomy outlook, short-term breakthroughs seem improbable, making it likely that the local market will continue its decline. It is anticipated that the commercial and retail sectors will be affected by shifting local labour demand, which will increase operational pressures even more.

Our main investment properties, Soundwill Plaza, Soundwill Plaza II — Midtown, and 10 Knutsford Terrace, continued to see downward rental adjustments because of these unfavourable market conditions. This led to a minor drop in rental income during the period. In response to changing consumer behaviour and macroeconomic conditions, we improved our property management services and amenities, optimised the tenant mix, and launched focused marketing strategies, including special loyalty promotions by the Soundwill Club, to increase our competitiveness. We also committed online and offline resources to promote the distinctive consumer experience available at our properties.

Looking ahead, the Group will take a cautious approach towards replenishing and developing its land reserves in light of the local real estate market's ongoing weakness, low transaction volume and ongoing drop in commercial rental rates. Accordingly, we will take a more careful approach, reevaluating slowing down the pace of acquiring old buildings and consolidating building ownership. Our goal is to be more flexible in our resource capitalisation in order to better navigate an uncertain future.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

We will review our key operational models, improve our asset strategy and continue exercising fiscal restraint in the face of a protracted market downturn, diminishing rental returns, and cautious local investment sentiment. In executing our long-term business strategies, we will focus on strengthening our cash flow and reserves, enhancing our risk management framework, improving operational efficiency and optimising resource utilisation.

Property Leasing

For the six months ended 30 June 2025, the Group's property leasing business segment recognised revenue of approximately HK\$162,190,000, representing approximately 90% of the Group's total revenue for the period.

The tourism industry during the review period showed signs of a gradual recovery, marked by a moderate rise in visitor arrivals. However, our property leasing operations did not benefit as much as we had anticipated, due to more restrained spending among tourists. Tenants reported mixed sales results, with some sectors affected by consumption downgrades and heightened market competition. This continued to place downward pressure on rental rates. Consequently, overall rental income did not recover in step with tourism growth, underscoring persistent weakness in the local retail landscape. Rental income recovery remained sluggish, and the Group recorded a slight decline in overall rental revenue during the period.

Despite ongoing market challenges, our properties — Soundwill Plaza, Soundwill Plaza II — Midtown, 10 Knutsford Terrace, and Kai Kwong Commercial Building — continued to enjoy steady foot traffic and potential long-term profitability, thanks to their prime locations. The Group remained committed to refining the tenant mix by attracting globally recognized brands and themed specialty restaurants. We also intensified efforts to drive customer engagement and spending through the Soundwill Club loyalty programme and a series of targeted limited-time promotions, including mileage rewards and family-oriented campaigns.

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Group, provides secure, spacious and efficient storage solutions with professional management and high-quality services. Their facilities are all strategically located in key areas across Hong Kong and are fully equipped in compliance with the latest fire safety regulations to ensure the protection of stored items. In line with our prudent expansion strategy, we opened a new branch in Fo Tan to further strengthen our market presence. One Storage maintained a satisfactory overall occupancy rate during the period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

To meet evolving market needs, we launched One Box, an on-site storage service that offers customers a seamless, door-to-door storage experience through our easy-to-use booking system, all without leaving home. This service has been well received by customers in the medical, tourism and professional sectors, as well as by non-local students in Hong Kong. We continued to refine our operational processes during the period to further enhance the user experience of this service.

We also took steps to upgrade our security and smart management systems. All branches completed a new round of facility inspections and enhancements to improve safety and operational efficiency. Looking ahead to the next half-year, the Group plans to open a new branch in Tuen Mun and introduce additional smart self-service equipment to further improve customer convenience and strengthen our competitive edge.

Property Development

For the six months ended 30 June 2025, the Group's property development business segment recognised revenue of approximately HK\$6,833,000, representing approximately 4% of the Group's total revenue for the period.

iCITY, the Group's digital industrial landmark, is located at 111 Ta Chuen Ping Street, Kwai Chung. This 20-storey building provides a total of 601 workshops, each with a gross floor area ranging from 422 square feet to 510 square feet on a typical floor. With a typical ceiling height of 4.2 meters, the workshops offer a high degree of spatial flexibility. The project also features approximately 18,000 square feet of landscaped terraces with interactive facilities and social spaces.

Since its delivery at the beginning of last year, iCITY has benefited from strong leasing activity. According to market data, the project registered an occupancy rate of 95%, underscoring robust demand in the industrial workshop sector. Notably, a renovated mid-level unit with a gross floor area of 451 square feet was leased at HK\$16,000 at the start of the year, achieving a record-setting unit rental of approximately HK\$35 per square foot among industrial properties. Current market rents range from approximately HK\$12,000 to HK\$16,000, with an average of around HK\$31 per square foot, delivering a satisfactory return.

Given strong market demand and the influx of skilled professionals into Hong Kong, we plan to lease additional workshops as part of a planned sales launch of Phase II units later this year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the review period, the Central Government of Mainland China introduced policies aimed at revitalizing the country's real estate market, after showing signs it had bottomed out and entered a recovery phase. This has had an "icebreaking" effect, leading to a gradual rebound in sales and an acceleration in inventory reduction. First-tier and key second-tier cities have seen relatively quicker recoveries, while third- and fourth-tier cities continue to face challenges. Our property development projects in the Greater Bay Area — Grand Capital in Doumen District, Zhuhai, and Lakeview Bay • VOGUE, a high-rise and villa complex in Gaoyao District, Zhaoqing — both reached completion during the period. Grand Capital has only a few remaining units left for sale, while Lakeview Bay • VOGUE still has some units on the market. As both projects are in relatively remote third- and fourth-tier cities, and based on the broader market conditions, we anticipate that greater efforts and a longer time frame will be required to achieve a full sell-out.

Building Management and Other Services

For the six months ended 30 June 2025, the Group's building management segment recognised revenue of approximately HK\$11,689,000, representing approximately 6% of the Group's total revenue for the period.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Group, specialises in delivering high-quality, professional property management, maintenance and facilities management services for A-grade, large-scale commercial buildings, industrial buildings and small- to medium-sized estates. Backed by a team of highly experienced and professionally certified staff, the subsidiary has earned ISO 9001, ISO 14001 and ISO 45001 certifications, reflecting international recognition of its management standards.

In response to evolving client and market needs, the building management team conducts regular internal assessments and uses advanced technologies to continuously enhance service quality, ensuring dependable management support for both owners and tenants. In addition to managing the Group's existing properties, the team bids on new property and facilities management projects to expand its business portfolio.

To reduce carbon emissions and align with government environmental policies, the Group has established a team dedicated to environmental management and energy-saving. This team implements optimisation and energy-saving measures in support of the Group's long-term carbon reduction goals and its vision for a sustainable future. It has also adopted a waste management model to encourage stakeholders to reduce, sort, and recycle waste at source.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

For more effective risk management, the building management team has established a centralised, high-tech management centre with an Internet of Things (IoT) system. This system helps prevent theft and allows operational equipment to be monitored, ensuring operational stability and safety. Apart from these business activities, the team participates in community service and charitable initiatives, in line with its commitment to create positive long-term impact on the community.

Communication with Shareholders and Investors/Investor Relations

The Group recognises that regular communication with shareholders is the key to good investor relations. Accordingly, we will keep the investment community abreast of our business performance and development strategies through timely disclosures. By establishing comprehensive and interactive communication through electronic communication channels, this not only reflects our commitment to transparency but also enables us to establish trusting and productive partnerships. In June this year, we held our annual general meeting. Along with briefings on the Company's results announcements, we regularly contacted the media through press releases, announcements and other publicity materials.

We aim to strike a balance between compliance with corporate governance requirements and business performance, by driving growth while also enhancing our management practices. The Board believes that sound corporate governance is essential to the Group's long-term success and sustainable development and that it creates lasting value for shareholders.

Corporate Citizenship

Sustainable development has always been integral to the Group's core strategies. To that end, we have a dedicated team in place to review and optimise our environmental, social, and governance performance, while proactively addressing the challenges and opportunities posed by climate change. To strengthen our sustainability efforts, we will establish a specialised team focused on the Group's response to climate change. This team will lead our carbon reduction and energy-saving initiatives, enhance our climate risk management capabilities and improve cross-departmental coordination in the transition to a low-carbon operational model.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Throughout the years, the Group has been giving back to the community by participating in community services and volunteer initiatives. During the period, the Soundwill Volunteer Team, along with volunteers from our subsidiaries, continued to take part in various community activities to fulfil our corporate social responsibilities. Their efforts included supporting non-profit organisations, promoting local environmental recycling programmes, and providing long-term complimentary mini-storage space to charitable groups in order to assist their logistics needs.

During the period, the Group was honoured with the BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 — EcoPartner by the Federation of Hong Kong Industries. This award recognises the efforts of the Group, our subsidiaries and our property projects to promote environmental protection. Looking ahead, we will remain committed to addressing societal and environmental needs by deepening our collaboration with regional and non-profit-making organisations and making use of our resources and real estate strengths to enhance community engagement. It is our belief that through a diverse range of initiatives, we can create a more inclusive society and a sustainable world for future generations.

Outlook

Looking ahead to the second half of 2025, we expect that global political and economic instability, along with uncertain international trade policies, will affect cross-border capital flows and disrupt global supply chains. Therefore, the global economic outlook will remain clouded, owing to the divergent growth trajectories of major economies, cautious market sentiment and conservative strategies adopted by enterprises and investors.

Hong Kong will continue to face the challenges of subdued economic momentum, consumer confidence and investment sentiment, on the one hand, and a property market weighed down by soft commercial rental returns and a lack of market confidence on the other. We will also see the continuation of steps towards revitalizing the tourism and retail sectors, as well as promotions of the mega event economy, an enhanced Individual Visit Scheme, and increased duty-free allowances for visitors. Despite these measures, however, the prospects for a broader market recovery remain uncertain.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

For our part, we will continue to address operational challenges prudently by adapting flexible strategies, consolidating our core operations, and remaining open to new development directions. We will also proactively seek business opportunities and operational synergies to sustain our competitive edge. Considering the weak local property market and downward pressure on rentals, we will adopt a prudent approach to managing our land reserves and pace of project development, ensuring greater flexibility in resource allocation.

In addition, we will continue to optimise resource allocation and enhance operational efficiency, while maintaining liquidity and strengthening our cash flow. With sound and sustainable financial management and a robust capital structure, we are well-positioned to withstand economic fluctuations. Looking ahead, we will combine the strengths of our property portfolio with our business assets to solidify our market position, explore new business areas, and further enhance our competitiveness and long-term growth potential, with the ultimate aim of delivering more sustainable returns to our shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group has recorded a revenue of approximately HK\$180,712,000 (30 June 2024: HK\$1,030,115,000), representing a decrease of approximately HK\$849,403,000 as compared with the same period last year. The decrease in revenue was mainly due to the decrease in income recorded from the property development project.

Loss attributable to owners of the Company for the six months ended 30 June 2025 was approximately HK\$1,337,584,000 (30 June 2024: Loss of HK\$974,829,000), representing an increase in loss of 37% as compared with the corresponding period in 2024. The increase in loss was mainly due to decrease in income recorded from the property development project and valuation loss of investment properties of HK\$1,423,124,000 was recorded as at 30 June 2025, when compared with a loss of HK\$1,324,070,000 during the corresponding period in 2024.

The total interest expenses for the six months ended 30 June 2025 amounted to approximately HK\$24,819,000 (30 June 2024: HK\$38,576,000).

The Company's basic loss per share was HK\$4.72 as compared with the loss per share in the same period of last year of HK\$3.44.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2025, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to approximately HK\$1,140,481,000 (31 December 2024: HK\$1,150,786,000). The Group's total borrowings as at 30 June 2025 were HK\$1,350,072,000 (31 December 2024: HK\$1,359,858,000). The Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% as at 30 June 2025 (31 December 2024: 9%).

As at 30 June 2025, the Group's net assets amounted to approximately HK\$14,345,405,000 (31 December 2024: HK\$15,676,741,000).

The Group's exposure to foreign currency risk mainly arises from the exchange rate movement between Hong Kong Dollar and Renminbi in relation to its Mainland China operations. Given there would have immaterial impact on the Group's assets in the Mainland China which generated income from as well as incurred expense in Mainland China. The Group had not implemented any hedging measures during the period under review.

During the period under review, the Group did not commit to any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

PROPOSED PRIVATISATION OF THE COMPANY

Reference was made to the composite scheme document of the Company and the Offeror dated 30 April 2025 (the "Scheme Document"), unless the context requires otherwise, capitalized terms used in this paragraph have the same meanings as those defined in the Scheme Document. On 5 March 2025, the Offeror requested the Board to put forward the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of listing of the Shares from the Stock Exchange.

As the Scheme was not approved by the Scheme Shareholders at the Court Meeting, the Company has maintained its listing status on the Stock Exchange. Please refer to the joint announcement of the Company and the Offeror dated 23 May 2025 for details.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SIGNIFICANT INVESTMENTS HELD

Save as those disclosed under the sections headed “Management Decision and Analysis”, the Group did not have any significant investments during the financial period ended 30 June 2025.

MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the period ended 30 June 2025, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

EVENT AFTER REPORTING PERIOD

Saved as disclosed in this interim report, there were no other significant events affecting the Company nor any of its subsidiaries after the reporting period as at 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

The Group employed an average of 321 people and 50 people in Hong Kong and Mainland China respectively as at 30 June 2025 (30 June 2024: 301 and 42 employees). Employees were remunerated on the basis of their performance, experience and market practice.

Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. During the six months ended 30 June 2025, total salaries and wages were approximately HK\$70,285,000 (30 June 2024: HK\$73,911,000).

PLEDGE OF ASSETS

As at 30 June 2025, certain investment properties, properties for sales and property, plant and equipment of the Group with a total carrying value of approximately HK\$8,531,831,000 (31 December 2024: approximately HK\$9,335,969,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group provided guarantees amounted to approximately HK\$11,345,000 (31 December 2024: HK\$13,172,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the Mainland China. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

(a) Directors' Interests in the Company

As at 30 June 2025, the interests and short positions of the Directors and 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 (the "SFO")) which are required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in the shares and underlying shares:

Name of Director	Capacity	Number of Ordinary Shares Interested	Approximate Percentage of the Company's Total issued Shares
Foo Kam Chu Grace	Beneficial owner and Beneficiary of a trust	212,401,630 ^(Note 1)	74.97%
Chan Wai Ling	Beneficiary of a trust	212,305,028 ^(Note 2)	74.94%
Chan Hing Tat	Beneficiary of a trust	212,305,028 ^(Note 3)	74.94%

Note 1: Madam Foo Kam Chu ("Madam Foo") was deemed to be interested in 212,401,630 shares of the Company in aggregate: (i) 96,602 shares of the Company was personally held by Madam Foo; (ii) 209,919,028 shares of the Company was held by Ko Bee Limited ("Ko Bee"), the entire issued share capital of which was held by a discretionary trust (the "Trust"). Madam Foo is a beneficiary of the Trust; and (iii) 2,386,000 shares of the Company was held by Full Match Limited ("Full Match"), a company wholly-owned by Ko Bee. Both Ko Bee and Full Match are incorporated in the British Virgin Islands with limited liability.

Note 2: Ms. Chan Wai Ling ("Ms. Chan") was deemed to be interested in 212,305,028 shares of the Company. Ms. Chan is a beneficiary of the Trust.

Note 3: Mr. Chan Hing Tat ("Mr. Chan") was deemed to be interested in 212,305,028 shares of the Company. Mr. Chan is a beneficiary of the Trust.

OTHER INFORMATION (CONTINUED)

(b) Directors' Interests in Associated Corporations

Name of Director	Name of associated corporations	Capacity	Number and class of shares held	Percentage of shareholding
Foo Kam Chu Grace	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>
Chan Wai Ling	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>
Chan Hing Tat	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>
Foo Kam Chu Grace	Full Match Limited	Interested in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>
Chan Wai Ling	Full Match Limited	Interested in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>
Chan Hing Tat	Full Match Limited	Interested in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <i>(Note 4)</i>

Note 4: The entire issued share capital of Ko Bee is held by the Trust. The entire issued share capital of Full Match is held by Ko Bee. Madam Foo, Ms. Chan and Mr. Chan are the beneficiaries of the Trust.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) 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 he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, the person(s) other than a Director or chief executive of the Company who have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, was/were as follows:

Long Positions in the Shares

Name of shareholder	Capacity	Number of shares	Approximate percentage of shareholding
Century Pine (PTC) Limited	Trustee of a trust	212,305,028 <i>(Note 1&5)</i>	74.94%
Ko Bee	Beneficial owner and Interest of controlled corporation	212,305,028 <i>(Note 1&5)</i>	74.94%

Note 5: Ko Bee is ultimately held under the Trust with Century Pine (PTC) Limited, which incorporated in the British Virgin Islands with limited liability, as trustee for Madam Foo and her family members (including Ms. Chan and Mr. Chan, both executive Director of the Company).

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any person(s) (other than the Directors or chief executive of the Company whose interests are set out in the section "Directors' and Chief Executive's Interest and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above), 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 the SFO.

OTHER INFORMATION (CONTINUED)

SHARE OPTION SCHEME

The share option scheme was approved and adopted by shareholders of the Company on 23 May 2024 (the “Share Option Scheme”) to provide incentive and/or reward to eligible participants (as defined below) for their contributions or potential contributions to the Group. The Share Option Scheme also enable the Group to recruit, incentivise and retain high-calibre staff, and attract more categories of people by giving incentives to them to contribute to the Group’s growth and development. The eligible participants shall be (i) any director and employees of the Company or the Group; (ii) any person who, or entity which, provides services to the Group on a continuing and recurring basis in the ordinary and usual course of business of the Group, and the grant of options to whom is in the interests of the long-term growth of the Group as determined by the Board; and (iii) any director and employee of the holding companies, fellow subsidiaries or associated companies of the Company. The Share Option Scheme became effective following the grant of a listing approval by the Stock Exchange on 24 May 2024 (“Effective Date”). Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the Effective Date. The remaining life of the Share Option Scheme is about 9 years.

Eligible participants of the Share Option Scheme are required to pay the Company HK\$1.00 and signed acceptance of offer upon acceptance of the offer within 21 days from the date of offer.

The maximum number of shares which may be issued upon the exercise of all the options and awards (if any) to be granted under the Share Option Scheme and any other share schemes of the company (“Scheme Mandate Limit”) shall not in aggregate exceed 10% of the issued share capital of the Company as at the Effective Date i.e. 28,330,863 shares, representing 10% of the issued share capital of the Company as at the date of this report.

The total number of shares issued and to be issued in respect of all options or awards granted or to be granted (excluding any share options or award lapsed in accordance with the terms of the Share Option Scheme or any other share schemes of the Company) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the issued share capital of the Company as at the date of grant, without prior approval from the Company’s shareholders. Any grant of share options to an independent non-executive Director or a substantial shareholder of the Company in excess of 0.1% of the issued share capital of the Company at the relevant date of grant in any 12-month period up to the date of grant must be approved in advance by the Company’s shareholders.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to the grantee, which period may commence from the date of offer but shall end in any event not later than 10 years from the date of offer of that option subject to the provisions for early termination thereof. The vesting period for options under the Share Option Scheme shall not be less than 12 months except under specific circumstances as stipulated under the Share Option Scheme. The exercise price is determined by the Board, and will not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

During the six months ended 30 June 2025, no share options have been granted by the Company under the Share Option Scheme. The number of shares available for grant under the Share Option Scheme was 28,330,863, representing 10% of the issued share capital of the Company as at the Effective Date, 31 December 2024, 30 June 2025 and as at the date of this report. The number of shares available for grant under the services provider sublimit was 2,833,086, representing 1% of the issued share capital of the Company as at the Effective Date, 31 December 2024, 30 June 2025 and as at the date of this report.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed above at no time during the six months ended 30 June 2025 were rights to subscribe for equity or debt securities of the Company granted to any Directors or chief executive of the Company or to their spouse or children under 18 years of age as recorded in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to an arrangement to enable any such persons to acquire any such rights in any other body corporate.

INTERIM DIVIDEND

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

OTHER INFORMATION (CONTINUED)

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

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

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the six months ended 30 June 2025 and up to the date of this report as required under the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the six months ended 30 June 2025 except for the following deviation:

Code Provision C.2.1

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Mr. Chan Hing Tat is the Chairman of the Group. The Chairman is responsible for the overall development direction and strategies of the Group and ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive Directors, the management and various department heads to act and function in accordance with authority policy. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have fully complied with the Model Code throughout the six months ended 30 June 2025.



OTHER INFORMATION (CONTINUED)

The Company has also adopted the written guidelines on no less exacting terms than the Model Code for those relevant employees (as defined in the CG Code) in respect of their dealings in the securities of the Company in compliance with the Code Provision C.1.3 of the CG Code.

AUDIT COMMITTEE

The Audit Committee, comprising three independent non-executive Directors, has reviewed with the management, the accounting principles and practices adopted by the Group and discussed internal control systems and risk management, internal audit and financial reporting matters. The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 has been reviewed with no disagreement by the Audit Committee.

APPRECIATION

As a final note, I wish to take this opportunity to thank the Directors and staff for their contributions and good performance during the period.

By order of the Board
Soundwill Holdings Limited
Chan Hing Tat
Chairman and Executive Director

Hong Kong, 21 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue			
Revenue from goods and services		18,522	856,374
Rental income		162,190	173,741
Total revenue		180,712	1,030,115
Cost of sales		(31,353)	(575,483)
Gross profit		149,359	454,632
Other income	4	31,965	34,553
Selling expenses		(310)	(560)
Administrative expenses		(56,067)	(44,680)
Net fair value loss on investment properties		(1,423,124)	(1,324,070)
Gain on disposal of subsidiaries		—	1,964
Finance costs	5	(24,819)	(38,576)
Loss before income tax expense	6	(1,322,996)	(916,737)
Income tax expense	7	(14,588)	(57,812)
Loss for the period		(1,337,584)	(974,549)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Other comprehensive (expense)/ income, net of tax		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	(2,450)	1,495
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange gain on translation of foreign operations	8,698	9,463
Other comprehensive income for the period, net of tax	6,248	10,958
Total comprehensive expense for the period	(1,331,336)	(963,591)
Loss for the period attributable to:		
— Owners of the Company	(1,337,584)	(974,829)
— Non-controlling interests	—	280
	(1,337,584)	(974,549)
Total comprehensive expense for the period attributable to:		
— Owners of the Company	(1,331,336)	(961,968)
— Non-controlling interests	—	(1,623)
	(1,331,336)	(963,591)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

		Six months ended 30 June	
	Note	2025 (Unaudited) HK\$	2024 (Unaudited) HK\$
Loss per share for loss attributable to owners of the Company during the period	8		
Basic		(4.72)	(3.44)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	9	13,861,625	15,266,445
Property, plant and equipment	10	111,201	112,361
Financial assets at FVTOCI		37,799	39,938
Deposits paid for acquisition of properties		—	2,750
Loan receivables	11	213,092	222,181
Total non-current assets		14,223,717	15,643,675
Current assets			
Properties for sale		1,018,788	1,017,723
Trade and other receivables	11	151,267	155,214
Financial assets at fair value through profit or loss ("FVTPL")		78,768	—
Short-term bank deposits	12	919,437	827,153
Cash and cash equivalents	12	221,044	323,633
		2,389,304	2,323,723
Assets classified as held for sales		4,164	7,741
Total current assets		2,393,468	2,331,464
Current liabilities			
Trade and other payables	13	547,707	566,266
Contract liabilities		31,143	30,939
Lease liabilities		14,406	15,652
Borrowings	14	438,474	891,298
Provision for income tax		170,834	165,456
Total current liabilities		1,202,564	1,669,611
Net current assets		1,190,904	661,853
Total assets less current liabilities		15,414,621	16,305,528

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Borrowings	14	911,598	468,560
Lease liabilities		18,394	24,356
Deferred tax liabilities		139,224	135,871
Total non-current liabilities		1,069,216	628,787
Net assets		14,345,405	15,676,741
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	28,331	28,331
Reserves		14,317,074	15,648,410
Total equity		14,345,405	15,676,741

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	For the six months ended 30 June 2025 (unaudited)							
	Equity attributable to owners of the Company							
	Capital Investment							
	Share capital HK\$'000	Share premium HK\$'000	redemption reserve HK\$'000	revaluation reserve HK\$'000	Retained profits HK\$'000	Exchange reserve HK\$'000	Special reserve HK\$'000	Total equity HK\$'000
At 1 January 2025	28,331	690,811	295	41	14,999,252	(43,837)	1,848	15,676,741
Loss for the period	—	—	—	—	(1,337,584)	—	—	(1,337,584)
Other comprehensive income/ (expense)								
Item that will not be reclassified to profit or loss:								
Change in fair value of financial assets at FVTOCI	—	—	—	(2,450)	—	—	—	(2,450)
Item that may be reclassified subsequently to profit or loss:								
Exchange gain on translation of foreign operations	—	—	—	—	—	8,698	—	8,698
Total comprehensive income/ (expense) for the period	—	—	—	(2,450)	(1,337,584)	8,698	—	(1,331,336)
At 30 June 2025	28,331	690,811	295	(2,409)	13,661,668	(35,139)	1,848	14,345,405

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	For the six months ended 30 June 2024 (unaudited)										
	Equity attributable to owners of the Company										
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Proposed	Total <i>HK\$'000</i>	Non-	Total equity <i>HK\$'000</i>
								final and special dividends <i>HK\$'000</i>		controlling interests <i>HK\$'000</i>	
At 1 January 2024	28,331	690,811	295	3,424	17,490,794	(40,573)	1,848	283,309	18,458,239	1,623	18,459,862
(Loss)/profit for the period	—	—	—	—	(974,829)	—	—	—	(974,829)	280	(974,549)
Other comprehensive income/(expense)											
Item that will not be reclassified to profit or loss:											
Change in fair value of financial assets at FVTOCI	—	—	—	1,495	—	—	—	—	1,495	—	1,495
Item that may be reclassified subsequently to profit or loss:											
Exchange gain/(loss) on translation of foreign operations	—	—	—	—	—	11,366	—	—	11,366	(1,903)	9,463
Total comprehensive income/(expense) for the period	—	—	—	1,495	(974,829)	11,366	—	—	(961,968)	(1,623)	(963,591)
Final dividend paid for 2023	—	—	—	—	—	—	—	(283,309)	(283,309)	—	(283,309)
At 30 June 2024	28,331	690,811	295	4,919	16,515,965	(29,207)	1,848	—	17,212,962	—	17,212,962

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		Six months ended 30 June	
	Note	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Net cash inflow from operating activities		81,580	345,435
Net cash (outflow)/inflow from investing activities		(143,473)	461,432
Net cash outflow from financing activities		(43,214)	(444,762)
(Decrease)/increase in cash and cash equivalents		(105,107)	362,105
Cash and cash equivalents at 1 January		323,633	503,106
Effect of foreign exchange rate changes, net		2,518	14,933
Cash and cash equivalents at 30 June	12	221,044	880,144

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of Soundwill Holdings Limited (the “Company”) and its subsidiaries (the “Group”) for the six months ended 30 June 2025 (the “Unaudited Condensed Consolidated Interim Financial Statements”) have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Unaudited Condensed Consolidated Interim Financial Statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The Unaudited Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for investment properties, leasehold building, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are stated at fair values or revalued amounts.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the Unaudited Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of the amendments to a HKFRS Accounting Standards in the current interim period has had no material impact on the Group's consolidated financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development	: Development of residential, industrial and commercial properties
Property leasing	: Property rental including signage rental and rental under mini-storage operation
Building management and other services	: Provision of building management, property repairs and maintenance services

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (Continued)

Each of these operating and reportable segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Also, the Group engaged in properties assembly and sales of properties business. There is no project under property assembly business in both periods. Thus, this does not constitute a reportable segment during both periods.

Segment revenue and results

	Six months ended 30 June							
	Property development		Property leasing		Building management and other services		Segment total	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue								
External customers	6,833	846,029	162,190	173,741	11,689	10,345	180,712	1,030,115
Inter-segments <i>(note)</i>	—	—	232	84	579	548	811	632
Segment revenue	6,833	846,029	162,422	173,825	12,268	10,893	181,523	1,030,747
Segment (loss)/profits	(11,223)	282,977	126,461	147,594	7,352	8,152	122,590	438,723
Certain other income, other gains and losses							20,613	22,779
Gain on disposal of subsidiaries							—	1,964
Certain administrative expenses							(18,256)	(17,557)
Net fair value loss on investment properties							(1,423,124)	(1,324,070)
Finance costs							(24,619)	(38,576)
Loss before income tax expense							(1,322,996)	(916,737)

Note: Inter-segment sales are charged at mutual agreed terms.

The operating and reportable segment results exclude finance costs, net fair value loss on investment properties, gain on disposal of subsidiaries, certain other income, other gain and losses, certain administrative expenses and income tax expense.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

3. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

	Property development		Property leasing		Building management and other services		Segment total	
	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Segment assets	1,336,992	1,430,883	14,103,271	15,494,105	35,085	31,800	15,475,348	16,956,788
Certain property, plant and equipment							19,287	18,537
Financial assets at FVTOCI							37,799	39,938
Financial assets at FVTPL							78,768	—
Short-term bank deposits							919,437	827,153
Certain cash and cash equivalents							82,382	124,982
Assets classified as held for sales							4,164	7,741
Total assets							16,617,185	17,975,139
Segment liabilities	338,072	345,600	204,690	203,973	7,287	6,035	550,049	555,608
Certain other payables							61,171	80,812
Borrowings							1,350,072	1,359,858
Deposit received for disposal of investment properties							430	793
Provision for income tax							170,834	165,456
Deferred tax liabilities							139,224	135,871
Total liabilities							2,271,780	2,298,398

Segment assets include all assets other than certain property, plant and equipment, financial asset at FVTOCI, financial assets at FVTPL, assets classified as held for sales, short-term bank deposits, certain cash and cash equivalents.

Segment liabilities comprise all liabilities other than certain other payables, provision for income tax, deferred tax liabilities, deposit received for disposal of investment properties and borrowings.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

4. OTHER INCOME

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest income from financial assets at FVTPL and other bank interest income	21,800	26,811
Interest income from loan receivables	4,567	3,600
Dividend income from financial assets at FVTOCI	1,914	—
Miscellaneous income	3,684	4,142
	31,965	34,553

5. FINANCE COSTS

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest expenses on:		
Borrowings	24,103	37,839
Lease liabilities	716	737
	24,819	38,576

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

6. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

Six months ended 30 June		
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Cost of completed properties for sale recognised as expense	4,390	553,874
Depreciation of right-of-use assets and other property, plant and equipment	620	1,342
Employee compensation expense (including Directors' remuneration and defined contribution cost) (note)	70,285	73,911
Rentals in respect of short-term leases and low-valued leases	532	103

Note: During the six months ended 30 June 2025, the Group incurred employee compensation expenses of approximately HK\$28,016,000 (2024: HK\$26,562,000) included in the above employee benefit expense, which is employed on behalf of the third parties to whom these subsidiaries provided building management services. Such expenses are set-off with other income from building management services received by the Group.

7. INCOME TAX EXPENSE

Six months ended 30 June		
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
The charge comprises:		
Hong Kong Profits Tax	11,172	53,861
Mainland China Enterprise Income Tax ("EIT")	59	205
Mainland China Land Appreciation Tax	4	394
Deferred tax charge	3,353	3,352
	14,588	57,812

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

7. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both periods.

All of the Group's Mainland China subsidiaries are subject to Mainland China EIT rate of 25% for both periods.

8. LOSS PER SHARE

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss		
Loss attributable to owners of the Company (HK\$'000)	(1,337,584)	(974,829)
Number of shares		
Number of ordinary shares for the purpose of basic loss per share (note)	283,308,635	283,308,635

Note:

During the six months ended 30 June 2025 and 2024, neither the Company nor any of its subsidiaries had repurchased any of the Company's shares respectively.

No diluted loss per share for six months ended 30 June 2025 and 2024 was presented as there were no potential ordinary shares in issue during six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

9. INVESTMENT PROPERTIES

Changes to the carrying amount presented in the Consolidated Statement of Financial Position can be summarised as follows:

	2025 (Unaudited) HK\$'000
Carrying amount at 1 January	15,266,445
Additions	
— Purchase of properties	20,924
— Construction costs	3,937
— Sublease of leased properties	2,759
Disposal of investment properties	(5,152)
Transfer to assets held for sale	(4,164)
Net fair value loss on investment properties	(1,423,124)
Carrying amount at 30 June	13,861,625

The Group's investment properties were revalued at 31 December 2024 and 30 June 2025 by independent professional valuers, Cushman & Wakefield Limited, on the following basis:

- The completed investment properties (whole block of commercial building) are revalued by adopting income capitalisation method, which involves certain estimates, including capitalisation rates and reversionary rental value;
- The completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties) are revalued based on direct comparison method, by reference to market transactions of comparable properties;
- The leased properties under sublease arrangement by the Group, are revalued based on income capitalisation method which involves certain estimates, including capitalisation rates and reversionary rental value; and

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

9. INVESTMENT PROPERTIES (Continued)

- Investment properties under re-development were revalued on the re-development basis by adopting the residual method. The value is based on the re-development potential of the properties as if these properties will be developed and completed in accordance with the existing redevelopment proposal at the date of valuation and is determined by deducting the estimated total cost of the development, including costs of construction, professional fee, finance cost, associated costs and an allowance of profit that duly reflected developer's risk associated with the development from the gross development value.

In determining the fair values of the investment properties, the Group engages an independent qualified professional valuer to perform the valuation. The management works with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for level 3 fair value measurement. Where there is a material change in the fair value of the investment properties, the causes of the fluctuations will be reported to the Directors.

In relying on these valuations, the management has exercised judgement and are satisfied that the methods of valuation adopted are appropriate and reflective of the current market conditions.

The carrying amount of the Group's investment properties is a level 3 fair value measurement. There were no investment property transfers into or out of level 3 fair value measurement during both periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

9. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 30 June 2025 <i>HK\$'000</i>	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
Completed investment properties					
Completed investment properties (whole block of commercial building)	9,881,100 (31 December 2024: 10,850,600)	Income capitalisation method	Reversionary rental value	HK\$19 – HK\$44 (31 December 2024: HK\$19 – HK\$46) per month per square foot for upper-level office/restaurants premises HK\$65 – HK\$477 (31 December 2024: HK\$65 – HK\$488) per month per square foot for ground floor shops	The higher the reversionary rental value, the higher the fair value
			Capitalisation rate	2.875% – 3.625% (31 December 2024: 2.75% – 3.50%)	The higher the capitalisation rate, the lower the fair value
Completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties)	1,638,605 (31 December 2024: 1,713,955)	Direct comparison method	Price per square foot	HK\$6,400 – HK\$78,000 (31 December 2024: HK\$7,000 – HK\$85,000) per square foot for commercial properties HK\$2,300 – HK\$9,700 (31 December 2024: HK\$2,400 – HK\$10,100) per square foot for industrial properties HK\$4,600 – HK\$20,200 (31 December 2024: HK\$4,700 – HK\$21,000) per square foot for residential properties	The higher the price per square foot, the higher the fair value

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

9. INVESTMENT PROPERTIES (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 30 June 2025 <i>HK\$'000</i>	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
Leased properties					
Leased properties under sublease arrangement by the Group	31,920 (31 December 2024: 41,890)	Income capitalisation method	Reversionary rental value	HK\$7 – HK\$20 (31 December 2024: HK\$7 – HK\$21) per month per square foot	The higher the reversionary rental value, the higher the fair value
			Capitalisation rate	3.5% (31 December 2024: 3.375%)	The higher the capitalisation rate, the lower the fair value
Investment properties under re-development	2,310,000 (31 December 2024: 2,660,000)	Residual method	Price per square foot	HK\$16,800 (31 December 2024: HK\$18,500) per square foot for office premises HK\$17,000 – HK\$29,000 (31 December 2024: HK\$19,000 – HK\$31,000) per square foot for retail properties HK\$6,700 (31 December 2024: HK\$7,000) per square foot for industrial properties	The higher the price per square foot, the higher the fair value
			Estimated construction and other professional costs to completion	HK\$2,900 – HK\$6,900 (31 December 2024: HK\$2,900 – HK\$6,900) per square foot	The higher the estimated construction and other professional costs, the lower the fair value
			Estimated profit margin required to hold and develop the investment properties to completion	10% – 15% (31 December 2024: 10% – 15%)	The higher estimated profit margin, the lower the fair value

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

The Group's buildings classified as property, plant and equipment were revalued by an independent qualified professional valuer as at the end of the reporting period. During the six months ended 30 June 2025, revaluation loss of HK\$800,000 (30 June 2024: HK\$800,000) has been recognized.

During the current interim period, the Group entered into new lease agreements for the use of industrial premises. The Group is required to make fixed monthly payments on the usage of the asset during the contract period. On lease commencement, the Group classified the right-of-use asset as investment properties and the lease liabilities was approximately HK\$32,800,000 (30 June 2024: HK\$37,707,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

11. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES

As at 30 June 2025, trade receivables included in trade and other receivables were approximately HK\$54,408,000 (31 December 2024: HK\$48,895,000). The credit terms of the Group ranging from 30 to 90 days. The ageing analysis of trade receivables, presented based on the invoice date, was set out below:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
<i>Current assets:</i>		
Trade receivables		
0-30 days	11,289	12,778
31-90 days	12,885	16,002
91-180 days	12,266	9,300
Over 180 days	17,968	10,815
Total trade receivables, net	54,408	48,895
Loan receivables	153,208	154,365
Less: allowance for credit losses	(141,776)	(141,776)
Total loan receivables, net	11,432	12,589
Other receivables, utility deposits and prepayment	85,427	93,730
Total trade and other receivables categorised as current assets	151,267	155,214
<i>Non-current assets:</i>		
Loan receivables	213,092	222,181
	364,359	377,395

The Directors consider that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts due to short maturity periods on their inception.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

12. CASH AND CASH EQUIVALENTS/SHORT-TERM BANK DEPOSITS

The cash and bank balances of the Group was summarised as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Short-term bank deposits with original maturity over three months	919,437	827,153
Cash and cash equivalents	221,044	323,633
Total cash and bank balances	1,140,481	1,150,786

Cash and cash equivalents earn interest at floating rates based on the daily bank deposit rates.

Included in cash and cash equivalents of the Group is approximately HK\$26,414,000 (31 December 2024: HK\$110,643,000) of bank balances denominated in Renminbi placed with banks in the Mainland China.

13. TRADE AND OTHER PAYABLES

As at 30 June 2025, trade payables included in trade and other payables were approximately HK\$27,526,000 (31 December 2024: HK\$24,231,000). The Group was granted credit periods by its suppliers ranging from 30 to 60 days. The ageing analysis of trade payables, presented based on the invoice date, was set out below:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0-30 days	2,793	4,705
31-90 days	3,809	3,472
Over 90 days	20,924	16,054
Total trade payables	27,526	24,231
Other payables	520,181	542,035
	547,707	566,266

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

14. BORROWINGS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Current liabilities		
Bank loans — secured	438,474	891,298
Non-current liabilities		
Bank loans — secured	911,598	468,560
	1,350,072	1,359,858

At the end of the reporting periods, the maturity analysis of the Group's borrowings is stated as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Carrying amount of bank loans repayable based on the scheduled repayment dates set out in the loan agreements:		
Within one year	438,474	891,298
More than one year, but not exceeding two years	48,475	19,571
More than two years, but not exceeding five years	863,123	448,989
Total bank loans	1,350,072	1,359,858
Carrying amount of bank loans matured within one year or those contain a repayment on demand clause (shown under current liabilities)	(438,474)	(891,298)
Amount shown under non-current liabilities	911,598	468,560

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

15. SHARE CAPITAL

There were no movements in the share capital of the Company in the six months ended 30 June 2025.

16. RELATED PARTY TRANSACTIONS

The following transactions with related parties were, in the opinion of the Directors, carried out in the ordinary course of business during the periods:

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-lease expense and management fee expense in respect of office premises situated in Guangzhou, the Mainland China (<i>note (a)</i>)	117	124
Short-lease expense for leasing carparking spaces situated in Guangzhou, the Mainland China (<i>note (b)</i>)	14	6
Service income for management and consulting service provided to related parties in the Mainland China (<i>note (c)</i>)	(621)	(386)

Notes:

- (a) 2 subsidiaries of the Company entered into a tenancy agreement with related companies, in which 2 executive directors of the Company have interests, for leasing a number of premises situated at Guangzhou, the Mainland China for office purpose.
- (b) 2 subsidiaries of the Company entered into tenancy agreements with a related company, in which a close family member of 2 Executive Directors of the Company have interests, for leasing one (30 June 2024: one) carparking space situated in Guangzhou, the Mainland China.
- (c) A subsidiary of the Company entered into service agreements with related companies, in which a close family member of the chairman and an Executive Director of the Company have interests for providing management and consultancy services in the Mainland China.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

17. OPERATING LEASING ARRANGEMENTS

The Group leases its investment properties (note 9) under operating lease arrangements with average lease terms of one to six years with an option to renew the lease terms at the expiry date or at dates mutually agreed between the Group and the respective tenants. Certain leases include contingent rentals calculated with reference to turnover of the tenants. As at 30 June 2025, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within one year	243,806	251,633
In the second year	156,660	152,349
In the third year	70,470	71,616
In the fourth year	45,261	30,448
In the fifth year	17,749	16,533
	533,946	522,579

46

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2025

18. COMMITMENTS

Capital commitments

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Contracted but not provided for:		
— Acquisition of investment properties	—	18,000
	—	18,000



金朝陽集團有限公司^{*}
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability
股份代號 Stock Code : 0878



MIX
Paper | Supporting responsible forestry
紙張 | 支持負責任的林業
FSC® C123738

