

Breakthroughs Unleashed Advancing Forward



Legend Upstar Holdings Limited
Incorporated in the Cayman Islands with limited liability
(Stock Code 股份代號: 459)

Interim Report 2025

www.midlandici.com.hk

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)

Ms. WONG Ching Yi, Angela

Mr. WONG Alexander Yiu Ming

Independent Non-Executive Directors

Mr. SHA Pau, Eric

Mr. WONG Chung Kwong

Mr. LI Wai Keung

AUDIT COMMITTEE

Mr. LI Wai Keung (*Committee Chairman*)

Mr. SHA Pau, Eric

Mr. WONG Chung Kwong

REMUNERATION COMMITTEE

Mr. LI Wai Keung (*Committee Chairman*)

Mr. WONG Kin Yip, Freddie

Mr. WONG Alexander Yiu Ming

Mr. SHA Pau, Eric

Mr. WONG Chung Kwong

NOMINATION COMMITTEE

Mr. LI Wai Keung (*Committee Chairman*)

Ms. WONG Ching Yi, Angela

Mr. WONG Alexander Yiu Ming

Mr. SHA Pau, Eric

Mr. WONG Chung Kwong

COMPANY SECRETARY

Ms. MUI Ngar May, Joel

AUTHORISED REPRESENTATIVES

Ms. WONG Ching Yi, Angela

Mr. SZE Ka Ming

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2505-8, 25th Floor

World-Wide House

19 Des Voeux Road Central

Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

22nd Floor, Prince's Building

Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

The Hongkong and Shanghai Banking

Corporation Limited

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 BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

CORPORATE WEBSITE

www.legendupstarholdings.com

STOCK CODE

459

LETTER FROM CHAIRMAN

BUSINESS REVIEW

Legend Upstar Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) announce that for the six months ended 30 June 2025 (the “Interim Period”), the Group recorded a loss attributable to equity holders amounted to HK\$33,343,000 compared to a profit attributable to equity holders of HK\$9,504,000 for the six months ended 30 June 2024. The loss for the Interim Period was mainly attributable to the fair value loss from the revaluation of the Group’s investment properties.

Slight Improvement of Market Activities

The escalation of the U.S.–China trade dispute had initially dampened the Hong Kong property market in April 2025. However, the overall market sentiment improved modestly in the first half of 2025. Against the backdrop of a subdued market in 2024, sales registration volumes posted year-on-year gain across different property types – shops, offices, and industrial units.

This rebound was driven by a few key factors. The rise of the AI startup DeepSeek triggered a strong performance in Hong Kong equities from mid-February to mid-March 2025, once pushing the Hang Seng Index to a recent-year high. Additionally, the sharp drop in HIBOR lowered borrowing costs, further boosting market activities. The Government’s budget initiative to slash stamp duty on property transactions valued below HK\$4 million also helped invigorate sales in the low-end segment to a degree.

It is important to note that the registration volume of non-residential properties in the first half of 2025 reached a 3-year high just due to the abysmal comparison base. The overall business environment was still difficult, as the market remained far below pre-pandemic levels. The office sector was plagued by market concerns over the uncertain geopolitical situation, which disrupted business expansion plans. Meanwhile, the retail sector continued to suffer due to the impact of cross-border spending by local consumers. The closing down of numerous local cinemas had a significant impact on the shop segment as cinemas occupy a large area of retail space.

With support from the Chinese Central Government for the private sector, the Hong Kong property market seemed able to put aside some of the concerns around the U.S.–China trade dispute and saw a mild recovery in the first half of 2025.

LETTER FROM CHAIRMAN (continued)

BUSINESS REVIEW (continued)

Slight Results Improvement of the Agency Business

Operating results of the property agency segment improved slightly during the Interim Period when compared with the corresponding period last year, benefitting somewhat from the rise in the transaction activity of the non-residential market. After a series of restructuring and business enhancement initiatives, the new management team has made an effort to promote synergies between its sales operations with the relevant members of the Midland Group, and to leverage on their connections. In the first half of the year, revenue from referral business for non-residential properties increased significantly year-on-year riding, in part, on the drop in HIBOR and the sharp correction of asset value. The increase in the referral business also, in part, led to the growth of rebate expense. In the meantime, debt-laden property developers and owners continued to sell off inventories, raising the supply of the units available for sale.

The Property Investment Business Remained Stable

The Group's property leasing business continued to perform well in the first half of 2025. The serviced apartment registered high occupancy rates and slight rental income gains due to the sustained strong demand for rental housing in Hong Kong. For the commercial property portion of the investment portfolio, the overall environment remained harsh due to the weakness of retail market and trade war concerns. However, our experienced property management team was able to negotiate the most favourable terms possible notwithstanding the challenging environment. Overall, the property leasing business segment continued to make solid contributions to the Group, with its segment results only hampered by the property revaluation loss discussed below.

The Credit Business Remained Stable

The operating environment for the credit business remained tough in the first half of 2025. Unlike the banks which deal with a broader market, the money lending industry typically serves a different market segment and faced different challenges. However, the Group adhered to a prudent credit policy and did not compromise on safety margins for riskier business. Additionally, the Group's disciplined approach to credit business helped it navigate the challenging environment. In the Interim Period, the credit business continued to contribute positively to the Group's results.

LETTER FROM CHAIRMAN (continued)

BUSINESS REVIEW (continued)

Property Revaluation

Benefiting from the decline in interest rates, the residential and commercial property markets have shown divergent trends. The commercial property market was still a long way from a full recovery. Despite the increase in sales activities across various market segments, asset value still registered a decline. Hence the Group posted a loss from the revaluation of investment properties, which was greater than the profits from the other businesses, albeit being non-cash in nature.

OUTLOOK

Global Headwinds and Emerging Opportunities

The global economic landscape has become increasingly uncertain, with the unpredictability of trade and foreign policies of the current U.S. government weighing heavily on the market. The imposition of tariffs by the U.S. and the heightened geopolitical tensions, have stoked market fears of potential inflationary pressures that could complicate central banks' decisions on interest rates. While the U.S. and Mainland China have reached a temporary agreement to ease trade tensions, the unpredictability of U.S. trade policies leaves open the possibility of a re-escalation, casting a shadow of uncertainty over the global economic outlook.

On a more positive note, the Mainland Chinese economy has performed relatively well so far in 2025. After achieving a growth of 5.4% in the first quarter, the Mainland's GDP rose by 5.2% in the second quarter. Furthermore, should the Mainland economy receive further policy support, it could strengthen the overall economic landscape, with possible positive spillover effects on Hong Kong.

In light of the tumultuous policy environment in the U.S., Hong Kong has emerged as a refuge for capital inflows. The Financial Secretary Paul Chan estimated in mid-June 2025 that the HIBOR will remain at a low level for a considerable period, indicating ample liquidity in the market. This influx of capital is expected to continue, driven by a robust initial public offerings (IPO) market that is poised to make Hong Kong the leading global destination for IPO in the first half of 2025, surpassing Wall Street's established dominance.

LETTER FROM CHAIRMAN *(continued)*

OUTLOOK *(continued)*

Global Headwinds and Emerging Opportunities (continued)

This change stemmed from several key factors, including Hong Kong's position as the gateway to Mainland China's vast consumer market; and investors' preference for Hong Kong's stable and reliable financial market environment amid rising political uncertainty in the U.S. market. This trend is also fuelled by Chinese firms increasingly choosing Hong Kong as a safer listing venue to avoid potential delisting risks on Wall Street, as exemplified by the successful secondary listing of Contemporary Amperex Technology.

In the first six months of the year, the number of tourists arrivals increased 12% from the corresponding period in the previous year. Moreover, the Kai Tak Sports Park and the upcoming completion of the WestK Performing Arts Centre are expected to add new momentum to the Hong Kong economy, transforming the landscape of the live entertainment industry and drawing tourists from around the world.

Furthermore, Hong Kong's status as a global education hub has further strengthened, with five universities now ranked among the top 100 globally in the QS World University Rankings 2025. The U.S. Trump administration's recent attempt to ban on Harvard University's admission of international students has also boosted Hong Kong's appeal to those affected, and the Hong Kong government's recent move to relax the process for converting hotels and commercial buildings into hostels is expected to alleviate the severe shortage of student accommodation, allowing Hong Kong to cement its position as a global education hub.

Fraught with Challenges despite Improvements

The non-residential property market in Hong Kong has shown signs of improvements, but significant challenges remain. While the transactions of all types of non-residential properties, including offices, retail shops, and industrial units, have made some progress, a full recovery is still some way off, as they continue to grapple with the impacts of various challenges.

Office Segment

Supportive Factors

Recent major deals in Central, including Jane Street Capital's HK\$1.83 billion lease and the HK\$6.3 billion purchase by Hong Kong Exchanges and Clearing Limited ("HKEX") in Exchange Square offices, signal strong confidence of the financial institutions in Hong Kong's prime office market. As the work-from-home trend fades, these transactions reinforce Central's allure as a financial hub. Moreover, prices of some office units have already dropped by nearly 70%, leaving limited room for further steep declines.

LETTER FROM CHAIRMAN *(continued)*

OUTLOOK *(continued)*

Fraught with Challenges despite Improvements (continued)

Office Segment *(continued)*

Challenges

However, significant risks cloud the outlook. The adoption of AI may reduce hiring and hence office demand, while geopolitical tensions could disrupt expansion plans. Most critically, the market still faces a severe oversupply of office space, with vacancy rates remaining stubbornly high. While high-profile deals provide a strong dose of optimism, persistent structural challenges – including shrinking demand and rising vacancies – suggest a full recovery remains difficult. Without a sustained rebound in occupancy or corporate expansion, the market's upside may be limited.

Shops Segment

Supportive Factors

The overall retail industry is still suffering despite early signs of stabilisation. The government's efforts in building Hong Kong to be a capital of Mega Events have started to bear fruit. Numerous high-profile concerts of A-list artists have been held with great success. The decline of the U.S. dollar has also helped Hong Kong's tourism industry gain competitiveness.

Challenges

However, the impact of cross-border spending has been so huge, compounded by the rise of online shopping, that it will take quite some time for the local retail industry to heal.

Industrial Premises Segment

Supportive Factors

The industrial premises segment has seen significant price declines, with some properties even falling below construction costs. Amid falling interest rates, this could attract end-users and investors looking for opportunistic entry.

Challenges

A full recovery is still out of reach for the industrial building segment. Industrial property owners and potential buyers are usually investors. The drop in HIBOR is favourable to them, but for some debt-laden clients, the decline in borrowing cost may offer a respite but not a silver bullet.

LETTER FROM CHAIRMAN (continued)

OUTLOOK (continued)

Fraught with Challenges despite Improvements (continued)

Property Investment Segment

The residential rental market is showing a positive outlook, driven by the growing number of non-local students studying in Hong Kong and the influx of talent from the Mainland through various schemes. The Group's serviced apartment has good potential to benefit from this trend, as demand for rental accommodation is expected to remain strong. Regarding the shop leasing segment, the outlook is cautiously optimistic. While the overall retail industry is still suffering despite early signs of stabilization, there are some supportive factors that provide optimism. Although there are challenges, the Group's portfolio of rental shops is poised to capitalize on the gradual recovery of the retail market.

Credit Business

The credit business continues to face a number of challenges. However, there are signs that the property market is starting to show improvement, with more transactional activities. Additionally, the drop in interest rates is expected to provide some support for the credit business. While the operating environment remains difficult, the Group is cautiously optimistic that the gradual recovery in the property market and the favourable interest rate environment will help offset some of the headwinds facing the credit segment.

Amid Challenges, Opportunities Emerge

Despite the weak market, there are still business opportunities. The most noticeable one is that some veteran investors or developers are still in a mode of debt reduction, willing to cut selling prices and take huge losses. Recently, McDonald's is offloading eight of its retail properties valued at HK\$1.2 billion at a time when the shop segment remains weak. This would attract some clients who are new to these segments to buy amid the falling interest rate environment. After all, asset values have depreciated sharply and yields have become much more attractive. For instance, the figures from the Rating and Valuation Department indicate that prices for Grade A office space have fallen by 51% from the peak, and yields have risen by 1.2 percentage points to 3.6%. Furthermore, the market is being supported by the fact that some institutions, such as HKEX and universities, have been eager to acquire properties for their own use. In addition, the Development Bureau's move to expand the definition of "hotel" to include student hostels, waive planning procedures, and simplify applications is expected to stimulate more en-bloc transactions, as Hong Kong positions itself as an education hub and makes it easier for private operators to build student dormitories on commercial land. This regulatory change could lead to increased investment and redevelopment opportunities in the hospitality and commercial real estate sectors to cater to the growing demand for student housing.

APPRECIATION

I would like to offer my heartfelt thanks to our shareholders and customers, and to our management and team for their persistence and dedication in these difficult times. While headwinds persist, we remain steadfast in our pursuit of service excellence and confident in navigating the road ahead.

WONG Kin Yip, Freddie
Chairman

Hong Kong, 20 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The Letter from Chairman from pages 3 to 8 forms part of the Management Discussion and Analysis.

FINANCIAL REVIEW

Liquidity and financial resources

As at 30 June 2025, the Group had cash and cash equivalents of HK\$209,947,000 (as at 31 December 2024: HK\$285,998,000), whilst bank borrowings amounted to HK\$234,541,000 (as at 31 December 2024: HK\$373,044,000).

The maturity profile of the Group's borrowings is set out as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Secured bank borrowings without repayment on demand clause		
– repayable within 1 year	15,006	146,006
– repayable after 1 year but within 2 years	176,807	100,380
– repayable after 2 years but within 5 years	42,728	126,658
	234,541	373,044

The Group's bank borrowings were secured by certain investment properties held by the Group of HK\$627,500,000 (as at 31 December 2024: HK\$852,900,000). As at 30 June 2025, the Group had unutilised borrowing facilities amounting to HK\$73,000,000 (as at 31 December 2024: HK\$73,000,000) from various banks. The Group's cash and bank balances are deposited in Hong Kong dollars and the Group's bank borrowings are in Hong Kong dollars. The bank borrowings and overdraft facilities were granted to the Group on a floating rate basis.

As at 30 June 2025, the gearing ratio of the Group was 21.8% (as at 31 December 2024: 33.6%). The gearing ratio is calculated on the basis of the Group's total bank borrowings over total equity of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Liquidity and financial resources (continued)

The liquidity ratio of the Group, which represents a ratio of current assets over current liabilities, to reflect the adequacy of the financial resources, was 2.7 (as at 31 December 2024: 2.3). The return on equity of the Group, which is the ratio of (loss)/profit for the period over total equity was -3.14% (for the six months ended 30 June 2024: +0.81%).

With committed banking facilities in place and a solid base of recurrent income, the directors of the Company (the "Directors") are of the view that there are sufficient financial resources to satisfy the Group's on-going working capital requirements.

Consistent with the overall treasury objectives and policy, the Group undertakes treasury management activities with respect to its available cash so as to generate investment return to enhance the Group's financial position. The criteria for selection of investments will include (i) the risk profile involved and not speculative in nature; (ii) the liquidity of an investment; (iii) the after tax equivalent yield of an investment; and (iv) structured products are prohibited. In line with its liquidity objectives, the Group invests mostly in liquid instruments, products or equities with good credit quality. Investment in fixed income products are structured in different maturity profile to cater for ongoing business development.

The Group's income and monetary assets and liabilities are denominated in Hong Kong dollars. The Directors consider that the foreign exchange exposure of the Group is minimal.

Fair value losses on investment properties

During the period, the Group recorded a fair value loss of HK\$47.2 million (for the six months ended 30 June 2024: HK\$3.4 million) on revaluation of investment properties.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Information on the Group's loan portfolio and money lending business

As at 30 June 2025, the outstanding loan receivables was HK\$214.4 million (as at 31 December 2024: HK\$251.1 million). The outstanding loan balance involved 32 cases (as at 31 December 2024: 31 cases) with different borrowers. The largest outstanding loan receivable was HK\$32.2 million (representing approximately 15% of the outstanding loan portfolio as a whole) which was secured by a first mortgage over a residential property and two car parking spaces located at a prime location with a loan to value ratio of 27%. As at 30 June 2025, the amount of loan receivables from the five largest borrowers was HK\$119.6 million (as at 31 December 2024: HK\$132.7 million), representing approximately 56% of the outstanding loan portfolio as a whole (as at 31 December 2024: 53%).

As at 30 June 2025, all the outstanding loan receivables were secured by first mortgage over residential and/or non-residential properties, with average loan to value ratio of approximately 48% (as at 31 December 2024: 55%). No impairment loss on loan was made during the period (for the six months ended 30 June 2024: nil).

The credit business of the Group is operated by Legend Credit Limited ("Legend Credit"), the Group's money lending unit. Such credit business provides a stable revenue and cash flow to the Group.

In general, each loan application must go through three stages before granting to the borrower, namely (i) document collection and verification; (ii) credit risk assessment; and (iii) approval of the credit committee.

The credit risk assessment is based on the financial strength and repayment ability of the borrower, the collateral provided, prevailing market and competitive conditions and interest rate environment.

All loans advanced by Legend Credit are subject to approval on a case-by-case basis by a credit committee, which comprises members of the senior management who possess expertise in the property and financing fields.

Interest rates on loans are offered based on the assessed degree of credit risks, loan period, loan amount, availability of funds, and any other relevant business relationships with the borrower.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Information on the Group's loan portfolio and money lending business (continued)

The Group manages its loan portfolio to minimise concentration by the relationship between borrowers to maintain a diversified client base and lessen credit risk exposures. Legend Credit's collection team will conduct periodic review of its portfolio to monitor risks of default. They will also monitor whether borrowers make timely repayments and fulfil covenants during the life of the loan. The collection team will follow up promptly on late repayments, and liaise with borrowers for settlement. The Group will enforce securities and take legal actions for overdue debts when necessary.

Contingent liabilities

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the condensed consolidated financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic resources is probable.

EMPLOYEE INFORMATION

As at 30 June 2025, the Group employed 385 full-time employees (as at 31 December 2024: 405).

The emolument policy regarding employees of the Group is largely based on industry practice, individual performance, qualification and experience. In addition, discretionary bonus, incentives tied in with profits and share options may be granted to eligible staff by reference to the Group's performance and individual performance. The Group also provides other benefits to its employees such as education subsidies, medical and retirement benefits. In respect of staff development, both in-house and external training and development programmes are conducted on a regular basis.

OTHER INFORMATION

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

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

(i) Long positions in the shares and underlying shares of the Company

Name of Directors	Number of ordinary shares	Number of underlying shares	Total	Approximate percentage of the issued voting shares of the Company
	Corporate interest/ Interest of controlled corporations	Personal interest/ Beneficial owner <i>(Note 1)</i>		
Mr. WONG Kin Yip, Freddie	1,132,553,428 <i>(Note 2)</i>	18,000,000	1,150,553,428	63.73%
Ms. WONG Ching Yi, Angela	–	18,000,000	18,000,000	1%
Mr. WONG Alexander Yiu Ming	–	18,000,000	18,000,000	1%

Notes:

- These underlying shares (being physically settled unlisted derivatives) were held by the Director(s) by virtue of the interests in the share options of the Company granted to him/her. Details of the share options granted by the Company to the above Directors are set out in the section headed "SHARE OPTION SCHEME" in this interim report.
- These shares were held by Wealth Builder Holdings Limited ("Wealth Builder") which was indirectly wholly-owned by Mr. WONG Kin Yip, Freddie through his wholly-owned company, namely Luck Gain Holdings Limited ("Luck Gain").

OTHER INFORMATION *(continued)*DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)**(iii) Long positions in the shares and underlying shares of the associated corporations of the Company*

Name of associated corporations	Name of Directors	Number of ordinary shares		Total	Approximate percentage of the issued voting shares of associated corporations
		Personal interest/ Beneficial owner	Corporate interest/ Interest of controlled corporation		
Wealth Builder	Mr. WONG Kin Yip, Freddie	-	1 <i>(Note)</i>	1	100%
Powerful Surge Group Limited	Ms. WONG Ching Yi, Angela	5	-	5	1.81%

Note: Such share was held by Luck Gain which was directly wholly-owned by Mr. WONG Kin Yip, Freddie.

Save as disclosed above, as at 30 June 2025, neither the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, at no time during the Interim Period 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.

OTHER INFORMATION *(continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests and short positions of the substantial shareholders and other persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name of substantial shareholders	Number of ordinary shares/ underlying shares	Holding capacity/ Nature of interest	Approximate percentage of the issued voting shares of the Company
Luck Gain	1,132,553,428 <i>(Note 1)</i>	Interest of controlled corporation/ Corporate interest	62.74%
Wealth Builder	1,132,553,428 <i>(Note 1)</i>	Beneficial owner/ Beneficial interest	62.74%
Ms. TANG Mei Lai, Metty	1,150,553,428 <i>(Note 2)</i>	Interest of spouse/ Family interest	63.73%

Notes:

1. Luck Gain, which was directly wholly-owned by Mr. WONG Kin Yip, Freddie, was deemed to be interested in the 1,132,553,428 ordinary shares held by its directly wholly-owned subsidiary, Wealth Builder, under the SFO. These interests are also disclosed as the interests of Mr. WONG Kin Yip, Freddie in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in this interim report.
2. Such interests comprise (i) 1,132,553,428 ordinary shares held indirectly by Mr. WONG Kin Yip, Freddie, the spouse of Ms. TANG Mei Lai, Metty; and (ii) 18,000,000 underlying shares (being physically settled unlisted derivatives) held by Mr. WONG Kin Yip, Freddie by virtue of the interests in the share options of the Company granted to him, as disclosed in the sections headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" and "SHARE OPTION SCHEME" in this interim report. Accordingly, Ms. TANG Mei Lai, Metty was deemed to be interested in the same block of ordinary shares and underlying shares of the Company in which Mr. WONG Kin Yip, Freddie was deemed to be interested.

Save as disclosed above, as at 30 June 2025, no other substantial shareholders or persons had any 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 under section 336 of the SFO.

OTHER INFORMATION (continued)

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting held on 18 June 2020, the Company adopted the share option scheme (the “Share Option Scheme”).

Movements in the outstanding share options of the Company granted under the Share Option Scheme during the Interim Period were as follows:

		Number of share options							
Name	Date of grant <i>(Note 1)</i>	Exercise price per share HK\$	Balance	Granted	Lapsed	Cancelled	Exercised	Balance	Exercisable period
			outstanding as at 1 January 2025	during the Interim Period	during the Interim Period	during the Interim Period	during the Interim Period	outstanding as at 30 June 2025	
Directors									
Mr. WONG Kin Yip, Freddie	3 January 2022	0.128	18,000,000	–	–	–	–	18,000,000	3 January 2023 to 2 January 2030
Ms. WONG Ching Yi, Angela	3 January 2022	0.128	18,000,000	–	–	–	–	18,000,000	3 January 2023 to 2 January 2030
Mr. WONG Alexander Yiu Ming	3 January 2022	0.128	18,000,000	–	–	–	–	18,000,000	3 January 2023 to 2 January 2030
Total			54,000,000	–	–	–	–	54,000,000	

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercisable period.
2. The number and/or exercise price of the share options may be subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.
3. The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 30 June 2025 was 126,528,260.

OTHER INFORMATION (continued)

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any treasury shares as defined under the Listing Rules) during the Interim Period.

INTERIM DIVIDEND

The board of Directors does not declare an interim dividend for the Interim Period (for the six months ended 30 June 2024: nil).

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed and discussed with the management the unaudited condensed consolidated interim financial information of the Group for the Interim Period, and also reviewed this interim report.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code as stated in Appendix C1 to the Listing Rules throughout the Interim Period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code.

On specific enquiries made, all the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions at all applicable times during the Interim Period.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Note	2025 HK\$'000	2024 HK\$'000
Revenues	3(a)	240,538	201,530
Fair value loss on investment properties	9	(47,200)	(3,400)
Other gains	4	166	285
Staff costs		(94,459)	(109,034)
Rebates		(93,150)	(29,060)
Advertising and promotion expenses		(2,393)	(3,280)
Operating lease charges in respect of shop premise		–	(390)
Depreciation of right-of-use assets		(7,297)	(8,961)
Depreciation of property and equipment		(1,462)	(2,355)
Net impairment losses on financial assets		(1,078)	(7,676)
Other operating costs	5	(18,701)	(17,871)
Operating (loss)/profit		(25,036)	19,788
Bank interest income		2,515	3,609
Interest on bank borrowings		(8,498)	(12,023)
Interest on lease liabilities		(281)	(400)
(Loss)/profit before income tax		(31,300)	10,974
Income tax expense	6	(2,503)	(1,683)
(Loss)/profit and total comprehensive (loss)/income for the period		(33,803)	9,291
(Loss)/profit and total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(33,343)	9,504
Non-controlling interests		(460)	(213)
		(33,803)	9,291
		HK cents	HK cent
(Loss)/earnings per share	8		
Basic and diluted		(1.847)	0.526

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30 JUNE 2025

	Note	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
ASSETS			
Non-current assets			
Property and equipment		10,382	6,561
Right-of-use assets		12,039	10,017
Investment properties	9	905,700	952,900
Loan receivables	10	1,000	–
Deferred income tax assets		13,056	13,582
		942,177	983,060
Current assets			
Trade and other receivables	11	173,158	114,187
Loan receivables	10	213,367	251,064
Tax recoverable		573	1,459
Cash and cash equivalents		209,947	285,998
		597,045	652,708
Total assets		1,539,222	1,635,768
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	12	180,528	180,528
Share premium		745,086	745,086
Reserves		148,706	182,979
		1,074,320	1,108,593
Non-controlling interests		3,185	2,715
Total equity		1,077,505	1,111,308

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) (continued)

AS AT 30 JUNE 2025

	Note	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		9,561	9,165
Lease liabilities		4,078	1,354
Bank borrowings	13	219,535	227,038
Other payables and accruals	14	5,716	5,198
		238,890	242,755
Current liabilities			
Trade and other payables	14	194,365	122,156
Amount due to non-controlling interest	15	210	210
Lease liabilities		8,710	9,495
Bank borrowings	13	15,006	146,006
Current income tax liabilities		4,536	3,838
		222,827	281,705
Total liabilities		461,717	524,460
Total equity and liabilities		1,539,222	1,635,768

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to equity holders of the Company				Non-	Total
	Share capital HK\$'000	Share premium HK\$'000	Reserves HK\$'000	Total HK\$'000	controlling interests HK\$'000	equity HK\$'000
At 1 January 2025	180,528	745,086	182,979	1,108,593	2,715	1,111,308
Total comprehensive loss						
Loss for the period	-	-	(33,343)	(33,343)	(460)	(33,803)
Transaction with owners						
Deemed acquisition of non-controlling interest	-	-	(930)	(930)	930	-
At 30 June 2025	180,528	745,086	148,706	1,074,320	3,185	1,077,505
At 1 January 2024	180,528	745,086	207,831	1,133,445	6,028	1,139,473
Total comprehensive income/(loss)						
Profit/(loss) for the period	-	-	9,504	9,504	(213)	9,291
At 30 June 2024	180,528	745,086	217,335	1,142,949	5,815	1,148,764

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities		
Net cash generated from operations	81,376	5,535
Hong Kong profits tax refunded/(paid)	3	(200)
Interest paid	(8,498)	(12,023)
Interest element of lease payments	(281)	(400)
Net cash inflow/(outflow) from operating activities	72,600	(7,088)
Cash flows from investing activities		
Acquisition of property and equipment	(5,283)	(205)
Interest received	2,515	3,609
Net cash (outflow)/inflow from investing activities	(2,768)	3,404
Cash flows from financing activities		
Repayment of bank borrowings	(138,503)	(3,678)
Principal element of lease payments	(7,380)	(9,481)
Net cash outflow from financing activities	(145,883)	(13,159)
Net decrease in cash and cash equivalents	(76,051)	(16,843)
Cash and cash equivalents at 1 January	285,998	219,181
Cash and cash equivalents at 30 June	209,947	202,338

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)

1 General information

Legend Upstar Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong is Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together, the “Group”) are the provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

The Company’s immediate holding company is Wealth Builder Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

The Company’s ultimate holding company is Luck Gain Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

This unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong dollars (“HK\$000”), unless otherwise stated.

This unaudited condensed consolidated interim financial information was approved by the board of directors (the “Board”) on 20 August 2025.

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared under the historical cost convention as modified by the revaluation of investment properties which are carried at fair values, and also prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

The accounting policies used in preparing this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Group’s consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amended HKFRS Accounting Standards which are relevant to the operations of the Group and mandatory for annual periods beginning 1 January 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

2 Basis of preparation (continued)

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

(a) Amended standards effective in 2025

The adoption of the amended standards does not have a material impact on the Group's results of operations or financial position.

(b) New and amended standards and interpretations which are not yet effective

The Group has not early applied the new and amended standards and interpretations that have been issued but not yet effective. The adoption of these new and amended standards and interpretations is not expected to have a material impact on the Group's results of operations or financial position.

3 Revenues and segment information

(a) Revenues

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Revenues from contracts with customers within the scope of HKFRS 15		
Agency fee	209,390	171,657
Revenues from other sources		
Rental income	14,022	13,394
Interest income from credit business	17,126	16,479
	31,148	29,873
Total revenues	240,538	201,530

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

3 Revenues and segment information (continued)

(b) Segment information

The chief operating decision-makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. The Executive Directors determine the operating segments based on these reports.

The Executive Directors assess the performance based on the nature of the Group's businesses principally located in Hong Kong, which comprises property agency businesses for commercial and industrial properties and shops, properties investment, credit business and securities investment.

	Six months ended 30 June 2025						
	Property agency			Properties investment	Credit business	Securities investment	Total
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenues	56,530	85,455	75,210	14,022	17,126	-	248,343
Inter-segment revenues	(1,404)	(1,391)	(5,010)	-	-	-	(7,805)
Revenues from external customers	55,126	84,064	70,200	14,022	17,126	-	240,538
Timing of revenue recognition							
- At a point in time	55,126	84,064	70,200	-	-	-	209,390
Rental income	-	-	-	14,022	-	-	14,022
Interest income	-	-	-	-	17,126	-	17,126
	55,126	84,064	70,200	14,022	17,126	-	240,538
Segment results	2,453	(2,862)	9,965	(39,058)	12,506	(1)	(16,997)
Fair value loss on investment properties	-	-	-	(47,200)	-	-	(47,200)
Depreciation of right-of-use assets	(2,971)	(2,141)	(2,185)	-	-	-	(7,297)
Depreciation of property and equipment	(684)	(139)	(620)	(14)	(5)	-	(1,462)
(Impairment losses)/reversal of impairment on financial assets	835	(2,280)	367	-	-	-	(1,078)
Additions to non-current assets	85	620	1	12	-	-	718

For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

3 Revenues and segment information (continued)

(b) Segment information (continued)

	Six months ended 30 June 2024						
	Property agency			Properties investment	Credit business	Securities investment	Total
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000				
Segment revenues	66,986	45,340	64,424	13,394	16,479	-	206,623
Inter-segment revenues	(2,127)	(2,103)	(863)	-	-	-	(5,093)
Revenues from external customers	64,859	43,237	63,561	13,394	16,479	-	201,530
Timing of revenue recognition							
- At a point in time	64,859	43,237	63,561	-	-	-	171,657
Rental income	-	-	-	13,394	-	-	13,394
Interest income	-	-	-	-	16,479	-	16,479
	64,859	43,237	63,561	13,394	16,479	-	201,530
Segment results	2,505	4,440	474	4,262	13,858	-	25,539
Fair value loss on investment properties	-	-	-	(3,400)	-	-	(3,400)
Depreciation of right-of-use assets	(4,113)	(2,336)	(2,512)	-	-	-	(8,961)
Depreciation of property and equipment	(1,164)	(523)	(654)	(9)	(5)	-	(2,355)
Impairment losses on financial assets	(2,288)	(872)	(4,516)	-	-	-	(7,676)
Additions to non-current assets	108	35	62	-	-	-	205

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

3 Revenues and segment information (continued)

(b) Segment information (continued)

The Executive Directors assess the performance of the operating segments based on a measure of operating results from each reportable segment. Corporate expenses, bank interest income, interest on bank borrowings and income tax expense are not included in the segment results.

Revenues between segments arose from transactions which are carried out on terms with reference to market practice. Revenues from external customers reported to the Executive Directors are measured in a manner consistent with that in the condensed consolidated statement of comprehensive income. The revenue from external customers is the same as the total revenue per condensed consolidated statement of comprehensive income.

A reconciliation of segment results to (loss)/profit before income tax is provided as follows:

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Segment results for reportable segments	(16,997)	25,539
Corporate expenses	(8,320)	(6,151)
Bank interest income	2,515	3,609
Interest on bank borrowings	(8,498)	(12,023)
(Loss)/profit before income tax	(31,300)	10,974

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

3 Revenues and segment information (continued)

(b) Segment information (continued)

Segment assets and liabilities exclude corporate assets and liabilities and deferred income taxation, all of which are managed on a central basis. Set out below is an analysis of assets and liabilities by reportable segment:

	As at 30 June 2025						
	Property agency			Properties investment	Credit business	Securities investment	Total
	Commercial properties	Industrial properties	Shops				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	38,465	81,836	62,864	906,956	214,904	7	1,305,032
Segment liabilities	37,977	87,186	55,600	21,022	934	-	202,719

	As at 31 December 2024						
	Property agency			Properties investment	Credit business	Securities investment	Total
	Commercial properties	Industrial properties	Shops				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	33,258	32,174	36,855	955,141	251,371	7	1,308,806
Segment liabilities	28,637	40,996	34,204	20,908	562	-	125,307

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

3 Revenues and segment information (continued)

(b) Segment information (continued)

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Segment assets	1,305,032	1,308,806
Corporate assets	221,134	313,380
Deferred income tax assets	13,056	13,582
Total assets	1,539,222	1,635,768

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Segment liabilities	202,719	125,307
Corporate liabilities	249,437	389,988
Deferred income tax liabilities	9,561	9,165
Total liabilities	461,717	524,460

4 Other gains

	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Others	166	285

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

5 Other operating costs

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Office and branch operating expenses (remark)	5,621	5,598
Government rent and rates, building management fee (leased properties and investment properties)	3,184	3,527
Legal and professional fee	2,779	1,558
Trademark licensing fee (note 19 (a))	583	715
Insurance expenses	2,112	1,923
Bank charges	229	1,004
Auditor's remuneration	733	733
Others	3,460	2,813
Other operating costs	18,701	17,871

For the six months ended 30 June 2025, direct operating expenses arising from investment properties that generated rental income and did not generate rental income were HK\$3,124,000 and HK\$36,000 respectively, in which HK\$1,632,000 were included in other operating costs.

For the six months ended 30 June 2024, direct operating expenses arising from investment properties that generated rental income and did not generate rental income were HK\$3,053,000 and HK\$35,000 respectively, in which HK\$1,872,000 were included in other operating costs.

Remark: Office and branch operating expenses include utilities expenses, communication expenses, printing and stationery, transportation, and repair and maintenance.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

6 Income tax expense

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Current income tax		
Hong Kong profits tax	1,581	1,960
Deferred income tax	922	(277)
	2,503	1,683

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2024: 16.5%) on the estimated assessable profit for the period, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated on the same basis for the six months ended 30 June 2024.

7 Interim dividend

The Board does not declare an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) *(continued)*

8 (Loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 June	
	2025	2024
(Loss)/profit attributable to equity holders of the Company for the calculation of basic and diluted (loss)/earnings per share (HK\$'000)	(33,343)	9,504
Weighted average number of shares for the calculation of basic and diluted (loss)/earnings per share (thousands)	1,805,283	1,805,283
Basic and diluted (loss)/earnings per share (HK cents)	(1.847)	0.526

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

Diluted (loss)/earnings per share adjusts the figures used in the determination of basic (loss)/earnings per share to take into account the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares arising from the exercise of share options of the Company.

For the six months ended 30 June 2025 and 2024, the diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the exercise of the share options of the Company would have an anti-dilutive effect.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

9 Investment properties

	HK\$'000
At 31 December 2024 and 1 January 2025	952,900
Change in fair value recognised in the condensed consolidated statement of comprehensive income	(47,200)
At 30 June 2025	905,700

Fair value loss of HK\$47,200,000 (for the six months ended 30 June 2024: HK\$3,400,000) on investment properties was recognised during the period.

Investment properties of HK\$627,500,000 (as at 31 December 2024: HK\$852,900,000) are pledged as security for the Group's bank borrowings (note 13).

As at 30 June 2025 and 31 December 2024, valuations were undertaken by Jones Lang LaSalle Limited, an independent qualified professional valuer. The valuer has appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. Fair values of investment properties are generally derived using the income capitalisation method and direct comparison method, wherever appropriate. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuer's interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties. Direct comparison method is based on sales prices of comparable properties in close proximity which are adjusted for differences in key attributes such as size, floor level, layout, view, frontage and accessibility etc.

As at 30 June 2025 and 31 December 2024, all investment properties are included in level 3 in the fair value hierarchy.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

9 Investment properties (continued)

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer. There were no changes to the valuation techniques and transfers among the fair value hierarchy during the period.

Information about fair value measurements using significant unobservable inputs:

Office, industrial units and serviced apartments:

Valuation method	Range of significant unobservable inputs		
	Prevailing market rent per month	Unit price	Capitalisation rate
Income capitalisation	HK\$24.5 to HK\$34.3 per square foot (saleable) (31 December 2024: HK\$25.3 to HK\$35.3 per square foot (saleable))	N/A	3.10% to 3.55% (31 December 2024: 3.00% to 3.50%)
Direct comparison	N/A	HK\$3,912 to HK\$39,000 per square foot (saleable) (31 December 2024: HK\$4,102 to HK\$40,900 per square foot (saleable))	N/A

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

9 Investment properties (continued)

Shops:

Valuation method	Range of significant unobservable inputs	
	Prevailing market rent per month	Capitalisation rate
Income capitalisation	HK\$34.4 to HK\$238.0	2.30% to 3.35%
	per square foot (saleable)	(31 December 2024:
	(31 December 2024:	2.10% to 3.30%)
	HK\$34.4 to HK\$238.0 per square foot (saleable)]	

Direct comparison method is used for the car parks' valuation, the range of the unit price (significant unobservable input) as at 30 June 2025 are from HK\$1,600,000 to HK\$2,000,000 (as at 31 December 2024: HK\$1,600,000 to HK\$2,000,000).

Prevailing market rents are estimated based on the qualified valuer's view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation rates are estimated by the qualified valuer based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

10 Loan receivables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Loan receivables – property mortgage loans	215,981	252,678
Less: loss allowance	(1,614)	(1,614)
Loan receivables, net	214,367	251,064
Categorised as:		
Current portion	213,367	251,064
Non-current portion	1,000	–
	214,367	251,064

Movements on the Group's impairment losses on loan receivables are as follows:

	HK\$'000
At 31 December 2024, 1 January 2025 and 30 June 2025	1,614

A maturity profile of the loan receivables as at the end of the reporting periods, based on the maturity date and net of provision, is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Past due	8,306	60,721
Within 1 year	205,061	190,343
After 1 year but within 2 years	1,000	–
	214,367	251,064

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

10 Loan receivables (continued)

Loan receivables represent property mortgage loans granted to customers in Hong Kong. Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Group holds properties located in Hong Kong as collateral for property mortgage loans.

The Group's loan receivables are denominated in Hong Kong dollars.

11 Trade and other receivables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Trade receivables	191,659	110,796
Less: loss allowance	(31,250)	(30,172)
Trade receivables, net	160,409	80,624
Other receivables, prepayments and deposits	12,749	33,563
	173,158	114,187

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

11 Trade and other receivables (continued)

Trade receivables mainly represent agency fee receivables from customers whereby no general credit terms are granted. The customers are obliged to settle the amounts due upon completion of or pursuant to the terms and conditions of the relevant agreements. The aging analysis of the trade receivables, based on due date, is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Current (not yet due)	147,111	74,323
Less than 30 days past due	6,366	4,207
31 to 60 days past due	5,724	1,742
61 to 90 days past due	943	352
91 to 180 days past due	265	–
	160,409	80,624

The Group's trade and other receivables are denominated in Hong Kong dollars.

12 Share capital

	Number of issued shares (HK\$0.10 each)	Nominal value HK\$'000
As at 31 December 2024, 1 January 2025 and 30 June 2025	1,805,282,608	180,528

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

13 Bank borrowings

The Group's bank borrowings are repayable as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Secured bank borrowings without repayment on demand clause		
– repayable within 1 year	15,006	146,006
– repayable after 1 year but within 2 years	176,807	100,380
– repayable after 2 years but within 5 years	42,728	126,658
	234,541	373,044
Categorised as:		
Current portion	15,006	146,006
Non-current portion	219,535	227,038
	234,541	373,044

The bank borrowings are secured by investment properties of HK\$627,500,000 (as at 31 December 2024: HK\$852,900,000) held by the Group (note 9) and corporate guarantee given by the Company.

The Group's bank borrowings are denominated in Hong Kong dollars.

The Group has the following undrawn borrowing facilities:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Floating rates		
Expiring within one year	73,000	73,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

14 Trade and other payables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Commissions and rebates payables	147,819	72,595
Other payables and accruals	52,262	54,759
	200,081	127,354
Categorised as:		
Current portion	194,365	122,156
Non-current portion	5,716	5,198
	200,081	127,354

Trade payables include mainly the commissions and rebates payables to property consultants, co-operative estate agents and property buyers, which are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions and rebates payables of HK\$19,129,000 (as at 31 December 2024: HK\$14,302,000) in respect of which the corresponding agency fees have been received, and are due for payment within 30 days after period end, and all the remaining commissions and rebates payables are not yet due.

The Group's trade and other payables are denominated in Hong Kong dollars.

15 Amount due to non-controlling interest

The amount is unsecured, interest free, repayable on demand and represent amount due to Ms. WONG Ching Yi, Angela.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

16 Share-based benefits

In January 2022, 54,000,000 options were granted to certain directors of the Company under the share option scheme. Each option gives the holders the right to subscribe for one ordinary share of the Company. A consideration of HK\$1 from each of the grantees was received. These share options vested on 3 January 2023, and would be exercisable for a period of 7 years from 3 January 2023 to 2 January 2030 (both days inclusive).

The fair value of each share option granted was estimated on the date of grant using the Hull White Trinomial Model with the following assumptions:

Share price at date of grant	:	HK\$0.128
Exercise price	:	HK\$0.128
Option life	:	8 years
Expected volatility	:	49.63%
Expected dividend yield	:	0.00%
Risk-free rate	:	1.286%
Exercise multiple	:	2.80x

The expected volatility is based on the 2015-day historical volatility of the Company's share price as at the valuation date.

Based on the above assumptions, the estimated fair value of each share option was HK\$0.0631. Any changes in the parameters may materially affect the estimation of the fair value of a share option.

During the six months ended 30 June 2025 and 2024, there were no share option granted, exercised, cancelled or lapsed under the share option scheme.

For the six months ended 30 June 2025 and 2024, the Group did not recognise share-based benefits expenses in the condensed consolidated statement of comprehensive income.

17 Capital commitments

The Group did not have any significant capital commitments as at 30 June 2025 and 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

18 Contingent liabilities

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the condensed consolidated financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic resources is probable.

19 Significant related party transactions

The Group had the following significant transactions with related parties during the period and balances with related parties at the balance sheet date:

(a) Transactions with related parties

		Six months ended 30 June	
	Note	2025 HK\$'000	2024 HK\$'000
Agency fee income from referral of property agency transactions to related companies		8,442	20,366
Agency fee income from provision of agency services to related companies		148	–
Agency fee income from related companies	(i)	8,590	20,366
Rental income from a related company	(ii)	1,162	1,186
Rebates to related companies	(iii)	(82,091)	(8,550)
Trademark licensing fee to a related company (note 5)	(iv)	(583)	(715)
Management fee expenses to a related party	(v)	(369)	(383)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) *(continued)*

19 Significant related party transactions *(continued)*

(a) Transactions with related parties (continued)

Notes:

- (i) Agency fee income from related companies includes agency fee from referral of property agency transactions to related companies and property agency services provided to related companies on terms mutually agreed by both parties.
- (ii) The Group entered into lease agreement with related company on terms mutually agreed by both parties.
- (iii) Rebates to related companies represent rebates for property agency transactions referred by related companies on terms mutually agreed by both parties.
- (iv) Trademark licensing fee to a related company on terms mutually agreed by both parties.
- (v) Management fee expenses to a company, of which Mr. WONG Kin Yip, Freddie ("Mr. WONG"), a director and controlling shareholder (as defined under the Listing Rules) of the Company, is the beneficial owner, for the provision of administration services on terms mutually agreed by both parties.

In addition to the above, the Group shared administrative and corporate services fees on a cost basis with an aggregate amount of HK\$12,775,000 with related companies for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK\$10,225,000).

- (b)* During the six months ended 30 June 2025, the Group entered into a lease with a company, of which Mr. WONG is the beneficial owner, on terms mutually agreed by both parties. At the commencement date of the lease, the Group recognised right-of-use asset of HK\$2,758,000.

During the six months ended 30 June 2024, the Group did not enter into any new lease with companies of which Mr. WONG is the beneficial owner.

During the six months ended 30 June 2025, lease payments to a company, of which Mr. WONG is the beneficial owner, under a lease were HK\$1,074,000 (for the six months ended 30 June 2024: HK\$1,260,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED) (continued)

19 Significant related party transactions (continued)

- (c) The balances with related companies and parties included in trade and other receivables, trade and other payables and lease liabilities are as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Trade and other receivables		
Amounts due from related companies	17,147	18,066
Trade and other payables		
Amounts due to related companies	(72,758)	(29,477)
Lease liabilities		
Amounts due to a related party (note 19(b))	(2,528)	(834)

The related companies referred in notes 19(a) and 19(c) represent the subsidiaries of Midland Holdings Limited ("Midland"). Mr. WONG is also the director and controlling shareholder of Midland.

(d) Key management compensation

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Fees, salaries, allowances and incentives	6,011	5,020
Retirement benefit costs	27	27
	6,038	5,047

The amount represents emolument paid or payable to Executive Directors of the Company for the period.